

**HOUSE OF ASSEMBLY.**

Tuesday, November 18, 1952.

The SPEAKER (Hon. Sir Robert Nicholls) took the Chair at 2 p.m. and read prayers.

**BUILDING OPERATIONS BILL.**

His Excellency the Lieutenant-Governor returned the Bill and recommended for the consideration of the House the amendments specified in a schedule annexed.

**ASSENT TO ACTS.**

His Excellency the Lieutenant-Governor intimated by message his assent to the following Acts:—Electricity Trust of South Australia Act Amendment, Industrial and Provident Societies Act Amendment, and Metropolitan and Export Abattoirs Act Amendment Acts.

**SOUTH AUSTRALIAN HOUSING TRUST ACT AMENDMENT BILL.**

A message was received from His Excellency the Lieutenant-Governor recommending the House to make appropriation of such amounts of the general revenue as were required for the purposes of Clause 2 of the Bill.

**QUESTIONS.****NEW NORTHERN PIPELINE.**

Mr. O'HALLORAN—There is considerable speculation in northern towns, following on the Premier's broadcast of last Friday and the summary of his remarks that appeared in last Saturday's *Advertiser*, as to which parts of the north, and particularly which towns, will be served by the proposed new pipeline to be constructed from Hanson to Port Germein on a more northerly route than the existing main. Can the Premier be a little more specific and indicate which towns and districts it will serve?

The Hon. T. PLAYFORD—This is not a project that will be started in the immediate future, but owing to the large development taking place in the northern part of the State it will be necessary to consider duplicating certain parts of the Morgan-Whyalla pipeline in the relatively near future. The department concerned has already considered this matter, but I will obtain, if I can, I hope tomorrow, more precise details of the proposed route. The matter would have to be placed before the Public Works Committee. My broadcast dealt with general policy on this matter rather than with the specific proposal. I hope to be able to have a report for the honourable member tomorrow.

Mr. HAWKER—When the Public Works Committee took evidence on the route of the Whyalla pipeline it was said at Burra that that town might in future get its water supply from a point near Hanson. Can the Premier say if Burra will be included in the new route, and can he give the information when he replies to the question asked by the Leader of the Opposition?

The Hon. T. PLAYFORD—The information to be given to the Leader of the Opposition will be public information and I will see that the particular point now mentioned is covered in the reply.

**EXPORT CONTROLS.**

Mr. HEASLIP—I have seen a list of commodities proposed to be lifted from export control. In my opinion some of them are the lifeblood of the community and should be used in the country and not exported. Is the Premier in any way consulted before export controls are lifted, or has he anything to do with the export of those commodities?

The Hon. T. PLAYFORD—Recently the Government received a communication from one of the Commonwealth advisory officers who have been attached to the Prices Department to assist the State Governments in prices administration, to the effect that the Commonwealth Government proposes to lift the export ban on a large number of commodities, some of which are now in ample supply in Australia and may well be considered to be free for export, but a number of which, in my opinion, should under no circumstances receive an export permit. For example, all types of fertilizers were included in the list, and so were blood manures, bone dust, blood and bone manures, fish manures, sulphate of ammonia, and meat meal. Those commodities are urgently needed for primary production in this country and they can only be exported at the general expense of the fertility of our rural areas. The greatest restraint should be exercised with regard to these commodities and the prohibition on their export should be not temporary but permanent. Prior to the war the Abattoirs exported large quantities of blood and bone manures, but that practice was entirely wrong and should never have been allowed.

**ABATTOIRS' SLAUGHTERING OF LAMBS.**

Mr. STOTT—The position at the Metropolitan Abattoirs with regard to the slaughtering of lambs has become so serious that many

exporters have lambs there which have been purchased at the Abattoirs and which are being held for a week or longer before being booked for slaughtering. Some firms have lost 50 or more lambs during that period and the surviving lambs have suffered a terrific loss of weight from the time of their purchase. The workmen there are not altogether to blame for they have agreed to work four hours overtime, but it appears to me that there is some blundering with regard to the bookings of these lambs, and lamb producers are losing a terrific amount in their prices because the exporters purchasing them must naturally pass on their loss. In the South-East lambs now being rostered for booking could wait because of the lush green pastures available there, whereas sheep and lambs in the drier areas are being booked in a week later. Because of these facts and because this occurs every year, involving producers and everybody else concerned, will the premier appoint a commission of inquiry in an effort to clear up this anomalous position?

The Hon. T. PLAYFORD—There are adequate facilities at the Abattoirs for the slaughtering of all stock offering, and the only question arising in connection with this matter is the securing of the necessary labour to enable the facilities to be used. Up to the present the Abattoirs have been given a virtual monopoly of the slaughtering of stock both for home consumption and export. A matter which is exercising the mind of the Minister of Agriculture at the moment is a possible reversion from the present system to giving export licences to bodies other than the Abattoirs if we find that advantage is being taken by the operatives there every year when there is an urgent demand for the facilities to be used to their full extent so that those facilities are not fully used. It may be that we will have to get out of the difficulty by licensing other places to slaughter stock for export. I assure the honourable member that this question is receiving consideration and that the Government has the best advisers possible seeking a solution, and I do not think at the moment that any special committee could bring to light any further information than we possess at present. The Government is most concerned at the hold-up that has occurred not only this year, but whenever the Abattoirs are being worked under full conditions.

#### HOUSEKEEPER SERVICE.

Mr. FRANK WALSH—Has the Treasurer a reply to the question I asked recently concerning the housekeeper service in South Australia?

The Hon. T. PLAYFORD—The Chief Secretary has furnished me with the following report from the chairman of the Children's Welfare and Public Relief Board:—

In 1949 the Commonwealth Government advised that £15,000 had been provided in the Budget for the then current year as a grant to aid housekeeper services, of which £1,300 could be made available to South Australia on certain conditions. At that time this department was providing a housekeeper service and had on the staff 14 housekeepers. A survey made at the time showed that the family welfare bureau employed three housekeepers, whilst the Country Women's Association had one person working half-time. The extent of the house-keeping service provided by this department was limited only by the number of suitable persons who became available for employment as housekeepers. The Government advised the Commonwealth that the existing facilities provided by the South Australian Government without financial embarrassment could be more efficiently and effectively administered if continued as an administrative responsibility of State. The present 16 housekeepers employed in this service are sufficient to very substantially cope with the current demands from the community for this service.

#### IRRIGATION OF LAKES AREA.

Mr. WILLIAM JENKINS—The corporation and people of Strathalbyn are anxious to know, in view of the fact that Strathalbyn is the market town of the area, what plans have been made following on investigations of the Parliamentary Committee on Land Settlement into the irrigation of the land adjacent to the lakes and the activity of survey parties. Can the Minister of Agriculture say whether there is a likelihood of any immediate development in that area?

The Hon. Sir GEORGE JENKINS—I have asked the Minister of Irrigation to refer this matter to the Irrigation Development Committee, seeking specific and detailed advice in regard to irrigation possibilities and examination from two points of view: firstly, of large-scale development under a Government scheme, and secondly, of development by private enterprise encouraged by Government assistance and advice.

#### RAILWAY COMMISSION'S REPORT.

Mr. RICHES—Last week the Premier said he would inquire as to the availability of the report of the Royal Commission on the Stirling North-Brachina railway line. In view of the legislation coming forward in this House this

week, can he say when the report can be made available and whether he intends to lay it on the table of the House?

The Hon. T. PLAYFORD—I am not yet able to take the matter any further than I did last week, but I hope to have some information concerning it later today or early tomorrow morning. In the meantime, as the honourable member has indicated a desire to see the report before the legislation is considered, I will hold the legislation back if possible.

#### CONTROL OF STATE RAILWAYS.

Mr. MACGILLIVRAY—Honourable members who address themselves to the Estimates are usually told that the Minister will take up the points they raise and that replies will eventually be given. During the recent discussion on the Estimates I and other members were perturbed at the loss of millions of pounds incurred by the Railways Department, and I made two suggestions. The first was that the control of the railways be placed under the Minister of Railways, who would be responsible to Parliament for his actions in that regard. This would be in keeping with a democratic system of government. The second was that a committee or commission of members of this Parliament should be appointed to investigate the position and make a proposition to the Government on the economic running of the railways. I feel that at present there are probably millions of pounds of unnecessary loss taking place. Has the Minister of Railways had an opportunity to place either proposition before Cabinet and, if so, with what result? If not, is it intended to do so and make public Cabinet's decision?

The Hon. M. McINTOSH—The Government takes great cognizance of remarks and suggestions by members. Two or three sessions ago a Royal Commission on Transport Services was set up by Parliament and it recently made a report. One of the terms of reference was the desirability of co-ordinating the various types of transport under one authority. Such drastic suggestions were made for bringing about co-ordination, which the honourable member so strongly condemned, that up to the present Cabinet has not been able to give full consideration to the impact, especially in view of the fact that the report referred to the co-ordination of tram services, which has recently been dealt with separately here. A new trust is to be set up to deal with that service. I do not think that the Government would be justified in setting up at present an authority other than those we already have. We have

a Tramways Trust, a Railways Department, and a Transport Control Board. In relation to the latter, every committee set up has not only supported what it has done in connection with restrictions, but has suggested that they be extended rather than curtailed, and I do not think the honourable member would like that to be done. The tramways are to be controlled by a new authority to be set up, and Cabinet has not thought it necessary to deal with the matter of co-ordinating under one authority all the remaining forms of transport—road, shipping, air and railway.

Mr. Macgillivray—What about having a Minister in charge of the railways?

The Hon. M. McINTOSH—I have the honour to be the Minister of Railways, Minister of Local Government, and Minister of Marine, so as far as possible ministerial control is already merged in one authority.

#### TROTTING ADMISSION CHARGES.

Mr. DUNKS—Today's *Advertiser* contains the following report:—

The S.A. Trotting Club committee decided last night to increase the admission charges to Wayville. The new prices will be 6s. to the stand enclosure and 3s. to the flat (previously 4s. and 2s.) and will take effect from Saturday, November 22.

I have always understood that trotting is a poor man's sport and recreation. Can the Premier say whether the Prices Branch has any control over the increase in these charges and, if not, can the matter be considered?

The Hon. T. PLAYFORD—The Prices Branch has no control at present over admission charges to any form of amusement. Some time ago the department controlling admission charges to picture theatres and such types of amusement de-controlled them in view of the general policy of the Government to avoid unnecessary controls. I will take up the matter with the Prices Branch to see if there is any need for action.

#### ALLENDALE EAST AREA SCHOOL.

Mr. FLETCHER—My question relates to the Allendale East area school. The *Border Watch* reports that at a meeting held recently those present were assured that the school would be completed in February next. The Minister of Education will be pleased to know that a committee representative of the schools in the various districts to serve the area school has been formed, the members of which are very keen to get working for the welfare of the new school. Although the school will be completed in February, the *Border Watch* says that

the opening will probably have to be postponed until May or even July as until then no new furniture will be available. At the meeting the teachers and others were disappointed at the delay, and they suggest that the furniture in the schools to be closed at the opening of the new area school be used in the new school until new furniture is available. Will the Minister consider that suggestion?

The Hon. M. McINTOSH—The suggestion is a practicable one and I will take it up with the Minister of Education. I hope to bring down a reply before the session ends.

#### IMMIGRATION POLICY.

Mr. STEPHENS—An article appeared in this morning's *Advertiser* under the headings "Jobless Italians on Way South" and "Amazing Scene as Train Leaves Alice Springs." It refers to trouble with Italians at Alice Springs. Further on it says:—

The men are due in Adelaide at 9.30 p.m. tomorrow, and will be accommodated at North Glenelg Commonwealth hostel. Already at the hostel are 20 other migrants who were to have flown to Alice Springs in a chartered aircraft last Saturday but whose trip was cancelled when it was learned there was no work for them. The Acting Regional Director of the Commonwealth Employment Service in South Australia (Mr. A. W. Russell) said yesterday that the Commonwealth would pay the men's train fares from Alice Springs.

Can the Premier say what will happen if these people, who are out of work, are brought to Adelaide? Is it the Government's policy to agree to foreigners being brought to South Australia from other parts of the world when many of our own people are out of work and unemployment is growing every day, and also hundreds of our people are not housed? Will the Premier do something to prevent more people coming here to make our housing and unemployment position worse?

The Hon. T. PLAYFORD—The matters mentioned cover two important matters, both of which are subject to the provisions of the Constitution. The first is the question of immigration, which is completely under the Commonwealth Government's control, the State Government having no jurisdiction. I understand the present immigration policy has the support of both sides in the Commonwealth Parliament. As far as I know the recent trends of employment in Australia are being watched and the immigration policy is being modified, compared with the policy of the previous Government, to meet altered circumstances. As regards allowing these people to

come into South Australia, under section 92 of the Constitution trade and intercourse between States is absolutely free, and the State Government has no authority to stop any person from entering South Australia, or to prevent any person in this State from leaving it to enter another State provided he has obeyed the laws of this State.

#### WATER PRESSURES.

Mr. TAPPING—Last Friday I attended a meeting of citizens of Albert Park who were very incensed at the poor water pressures in their district, and requested that I bring the matter before the House and ask the following question of the Minister of Works: Is the water pressure being reduced purposely as a means of rationing, and to what extent is bore water being used to supplement the supply?

The Hon. M. McINTOSH—I say emphatically that pressures are not being reduced to save water because water is overflowing from the reservoirs. We were never in a better position for supplies, but we have been connecting up to 9,000 new services a year and that automatically means that the existing mains in the metropolitan area and the subsidiary mains leading therefrom are quite inadequate to give a full service to these new homes. In other cities the authorities have resolved the difficulty by not supplying new homes with reticulated water. The position here is that those having this great advantage will have to try to share the water with the newcomers. Although there is adequate water in the reservoirs, there are not sufficient main facilities to meet demands, any more than the tramways service cater for everyone who wants a seat during peak periods. It is a question not of restricting the quantity of water used but of regulating the use of it by all consumers in an area during certain periods of the day. In certain areas this is not necessary, but in the area represented by the honourable member where the ground is low-lying they are feeling the pinch. The position is being watched.

Mr. HUTCHENS—Municipalities within the State Assembly District of Hindmarsh pay £5,000 or more a year as fire brigade contributions. Within the district are industries in which possibly millions of pounds have been invested, faced with the danger of being razed, or restricted in production, by fire. At least 12 schools accommodating about 6,000 scholars, the majority subjected to the risk of serious infection, and thousands of householders are irritated by the poor water pressure. Does the

Government intend to improve the water services in the district? If so, when can the improvement be expected?

The Hon. M. McINTOSH—I think this is a duplication of the question I have already answered. There are two problems in water reticulation, one being the source of supply and the other distribution. Because the Government, as a matter of policy, has extended the great advantage of water reticulation to a huge number of people it automatically follows that some people who once had a full supply now have a reduced pressure. It is reduced only at peak periods, but taken over the 24 hours of a day there is enough water to go round. The first essential, as announced by the Premier in his broadcast, is to get the big mains into Adelaide, and then the pressures will automatically be increased. It would be ridiculous to stop these big mains from coming into Adelaide in order to give some streets improved pressures. It cannot be done by installing a bigger main in a given street, because it would be robbing Peter to pay Paul. The first essential is to get the mains into Adelaide. The money has been appropriated and the Government is pushing on with great energy towards that end. Many millions of pounds will be involved in giving the people this desirable but very costly ideal of full pressure in peak periods.

#### MYPONGA RESERVOIR.

Mr. BROOKMAN—Can the Minister of Works say what progress has been made with the proposal to build a reservoir at Myponga?

The Hon. M. McINTOSH—A considerable amount of investigation has taken place and surveys have been made, but the stage has not been reached where the Engineer-in-Chief can make a definite recommendation. When he does—and he will do so at the earliest opportunity—the matter will then have to be considered by the Public Works Committee because obviously the amount involved will greatly exceed £30,000. The matter is now in the investigating and planning stage.

#### RECLASSIFICATION OF PUBLIC SERVICE.

Mr. O'HALLORAN—Has the Premier any further information to give regarding a question I have asked on a couple of occasions—when the hearing of the application for reclassification of officers of the Public Service will be completed?

The Hon. T. PLAYFORD—The Public Service Commissioner has informed me that the hearing of evidence has been completed and that the board is now considering its findings.

#### RURAL HOUSING.

Mr. STOTT—Has the Premier a reply to the question I asked some time ago about the housing of rural employees?

The Hon. T. PLAYFORD—The honourable member asked what type of houses would be provided for rural employees. The chairman of the Housing Trust informs me that they will be constructed from Australian supplies of pre-cut timber; the larger houses will be built of Western Australian timber and the smaller of Tasmanian. Houses imported from overseas will not be incorporated in the rural housing scheme.

#### BROAD GAUGE SHEEP TRUCKS.

Mr. HEASLIP—Last week a surplus sheep sale was held in my district and I understand the necessary railway trucks were ordered and were ready at the station. However, waiting to get the sheep on the broad gauge system would have meant a five-day hold-up, because the broad gauge trucks were not available. Ultimately the sheep had to be transported by road to get them to Yorke Peninsula. Can the Minister of Railways say whether there is any shortage of broad gauge rolling stock for the transport of sheep and why this hold-up occurred?

The Hon. M. McINTOSH—I do not know the details of this matter and I regret that the honourable member did not give me some indication that he would ask the question, for I might have been able to ascertain why the hold-up occurred. However, there is always an answer to these things and, in general, it is not because of any absence of sufficient transport; it may even have been a fault in organization on the part of the people concerned. I will obtain the information required.

#### MEDICAL BENEFIT SOCIETIES.

Mr. FRANK WALSH—Does the Premier intend to introduce an amendment of the Companies Act relating to people setting up in business and providing hospital benefits? A list of approved organizations has now been published in both *Hansard* and the daily press, but there are still some operating who are able to change their names.

The Hon. T. PLAYFORD—I have already told the honourable member that Victoria has brought down legislation dealing with this matter, but normally insurance comes under Commonwealth control. The report we obtained from Victoria was that the Act was not operating satisfactorily and that the Government

there was trying to find some way to make it more effective. The Parliamentary Draftsman has not been able to offer me a solution of this problem, but the basis of the honourable member's question is the Commonwealth Health Act, and I believe the Commonwealth Parliament should take the necessary action. I agree with the honourable member's purpose, but we have tried to devise some way of overcoming the problem, so far without success.

#### GLANVILLE PIPEWORKS.

Mr. TAPPING—Last week I asked the Premier whether the Glanville pipeworks may be closed. I now ask the Minister of Works whether he has any further information on this subject?

The Hon. M. McINTOSH—I have made inquiries from the Engineer-in-Chief, who told me that there has definitely been no suggestion that the works will be closed, but some time ago the operations of a portion of the works were restricted because we had a sufficiency of one type of pipe. We hope when more money is available to be able to extend the operations of the works rather than curtail them.

#### PRICE OF PIG MEATS.

Mr. O'HALLORAN—Has the Premier any further information to give in reply to the question I asked last week about the price of pig meats?

The Hon. T. PLAYFORD—The Prices Commissioner reports:—

Ham, bacon, and fresh pork have not been subject to price control for more than four years. However, during that period prices officers have kept a close watch on market values of pigs and wholesale and retail prices of fresh and processed pig meats. There have been no increases in wholesale or retail prices of bacon and ham in this State since October 22, 1952. On November 3, 1952, manufacturers reduced wholesale prices of bacon by 3d. per lb. A check of retail prices of bacon in the city and suburbs has been made by prices officers who reported that most retailers have reduced their prices by from 3d. to 3½d. a lb. The retail price of middle rashers of bacon in Melbourne is 5s. 9d. a lb., whereas most retailers in Adelaide are now selling this type of bacon at either 4s. 10½d. or 4s. 11d. a lb. The reduction in market values of baconer pigs in recent weeks has been carefully noted. He pointed out, however, that any variation in market prices of baconers, either upward or downward, is not immediately reflected in the cost of bacon, as up to five weeks elapse from the time the pigs are killed until the finished bacon is ready for sale. The Prices Department will continue to watch the position very closely to ensure that the public will receive the benefit of any reductions in cost.

#### CATHERINE HELEN SPENCE SCHOLARSHIP.

Mr. GEOFFREY CLARKE—The Catherine Helen Spence Scholarship was last awarded in 1945. Can the Minister representing the Minister of Education say when it is proposed again to appoint a Catherine Helen Spence scholar?

The Hon. M. McINTOSH—I will make inquiries and hope to be able to give a reply before Parliament prorogues.

#### LAW SOCIETY SCHEME.

Mr. O'HALLORAN—Fairly frequently I receive requests for information on the terms under which legal assistance is rendered to persons in indigent circumstances by arrangement with the Law Society and what steps must be taken to obtain such assistance. I understand many solicitors receive similar requests. Will the Premier consider the issue of a brochure setting out in broad principle the type of assistance given and the kind of case in which it will be given, so that that information will be readily available to the legal profession and other interested parties, including members of Parliament, who will then be in a position to satisfy inquiries?

The Hon. T. PLAYFORD—The arrangement referred to has been entered into between the Law Society, which has agreed to provide legal services to persons in necessitous circumstances, and the Government which has voted money through the Estimates to pay for the administrative expenses of that service. The lawyer doing the work receives no payment for it. At some time or other almost every solicitor in this State has given service under this scheme, and I think all solicitors are fairly well conversant with the procedure. I will arrange for a brochure to be issued showing the location of the Law Society office and the name of its secretary so that the honourable members and others will have that information before them.

Mr. O'Halloran—Will you consult the Law Society as to whether any additional information could be made available?

The Hon. T. PLAYFORD—Yes. No person is debarred from receiving legal assistance, which is of the widest possible nature and covers any case in which a person may need legal services to ensure that he receives justice.

#### CEMENT SUPPLIES.

Mr. FRANK WALSH—It has come to my notice that a person who has been given a permit to build a home and who inquired of a

merchant for the supply of 3 tons of cement was told that the merchant had no cement which he could make available but that, if he desired to enter into a negotiation through the merchant, a supply of ready-mixed concrete would be delivered to the job. For the normal type of cottage home construction, particularly that of the War Service Homes Division, a very high foundation is necessary for protection against warping, consequently the ready-mixed concrete when delivered in bulk is not entirely suitable for the job as there are some defects in the manner of its delivery. Will the Treasurer guarantee supplies of cement to merchants for distribution to home builders so that they will not be forced to use the ready-mixed concrete?

The Hon. T. PLAYFORD—Under the Building Operations Bill passed by this House this session direct priorities in the sale of cement will cease to operate, and therefore its purchase becomes a matter for negotiation. If the honourable member will give me the name of the person concerned I will, as far as I can through the Building Materials Office, assist him by arranging for a supply of cement. The cement supply position will ease in the new year when the new plant at Port Adelaide comes into operation. The cement kiln there will be equal to the largest in the world and with financial assistance from the Government the company concerned, which has pressed on with the greatest urgency to meet the position, has done a remarkably fine job.

#### INSURANCE OF AIR FORCE TRAINEES.

Mr. MACGILLIVRAY—The Premier is aware that thousands of young men in South Australia have been called up for national service training. Recently a young man from my district elected to train with the R.A.A.F., and prior to being called up he took out a substantial insurance policy on his life. Unfortunately, whilst doing his training he was killed in an air accident. I understand the insurance company immediately repudiated the policy and all the relatives got was a return of the money paid in by the young man. Had he elected to serve in another branch of the defence forces the policy would still be good. This is a vital matter. Will the Premier take it up so that the Commonwealth Government can negotiate with the insurance companies to accept responsibility in the event of any young man being killed whilst undergoing his national service training with the R.A.A.F.?

The Hon. T. PLAYFORD—If the honourable member will give me the details, the

name of the young man and the company involved, I shall be pleased to take up the matter with the Minister of Defence, with whom I shall be conferring in a few days.

#### STEEL WORKS AT WHYALLA.

Mr. RICHES—Can the Premier give the House any further information regarding the present intention of the Broken Hill Proprietary Company on the construction of a steel works in South Australia? Will the proposed steel works in Western Australia have an adverse effect on the programme for Whyalla, and, if so, to what extent?

The Hon. T. PLAYFORD—About eight to 10 months ago representatives of the company told me that they were negotiating with the Western Australian Government in regard to certain iron ore leases in that State, and that they proposed to establish there a rolling mill to meet Western Australia's steel requirements. The purpose of their visit to me was to ensure that the Western Australian negotiations would not in any way affect the position in South Australia, and would not prejudice the programme. I think I can give the honourable member the information without violating any confidence. At present the company is engaged in establishing a strip mill at Port Kembla, which is a major undertaking involving the expenditure of millions of pounds. The company is not in a position to undertake the big job of an integrated steel mill in Australia until that work is completed. Certain plans for the South Australian project have been prepared, and the more recent discussions I have had with the company show that there is no change in the plan for the construction of plant at Whyalla.

#### PIKE CREEK RESERVOIR.

Mr. STOTT—Can the Minister of Works say whether the department has any plans in regard to the construction of a reservoir at Pike Creek, as the people in the area are anxious to know the position?

The Hon. M. McINTOSH—Plans and surveys have been made in relation to the matter, but I have not the details with me. Some negotiation has taken place with the Irrigation Department. I will bring down some information for the honourable member and I hope it will be available before Parliament prorogues.

#### FORT GLANVILLE PLEASURE RESORT.

Mr. TAPPING (on notice)—

1. Why was the work not proceeded with on the development of Fort Glanville and area

adjacent as a national pleasure resort, for which £2,000 was provided on last year's Estimates?

2. Why was the matter allowed to lapse and no money provided this year?

3. What is the intention of the Government regarding the future development of this area?

The Hon. T. PLAYFORD—The replies are:—

1. Plans were prepared for preliminary work at Fort Glanville during the last financial year. Prices were obtained for the work, but owing to a misunderstanding in the Architect-in-Chief's Department no contract was let.

2. Money available this year had to be allocated to works of higher priority.

3. It is intended to develop the area as soon as funds can be made available.

#### TANUNDA HOUSING.

Mr. TEUSNER (on notice)—

1. Has any contract been entered into by the South Australian Housing Trust for the building of houses at Tanunda?

2. If so, when will building operations commence, and how many houses will be erected?

The Hon. T. PLAYFORD—A contract for the erection of four houses at Tanunda has been made by the South Australian Housing Trust. The houses will be for sale. Building operations are expected to commence within about a week. If it is satisfied that the demand for its houses justifies it so doing, the trust will build further houses in Tanunda.

#### SUBWAY AT SALISBURY RAILWAY STATION.

Mr. GOLDNEY (on notice)—In view of the great increase of population in the Salisbury area, is it the intention of the Minister of Railways to consider again the provision of a subway at the Salisbury railway station?

The Hon. M. McINTOSH—The Railways Commissioner reports:—

In view of the shortage of loan funds and the number of works having higher priority, it is impossible at present to give favourable consideration to this work.

#### SCHOOL SPORTS GROUNDS.

Mr. O'HALLORAN (on notice)—

1. Is it the practice of Education Department to provide fencing for school sports grounds to which substantial improvements have been effected through the efforts of parents and friends?

2. If so, is it the intention of the department to provide fencing for the Peterborough high school sports ground?

The Hon. M. McINTOSH—The replies are:—

1. Yes.

2. Yes, as funds become available.

#### PETERBOROUGH HIGH SCHOOL.

Mr. O'HALLORAN (on notice)—

1. Is the Minister of Works aware that some time ago provision was made in the Loan Estimates for the erection of a residence for the headmaster of the Peterborough High School?

2. If so, is it intended to proceed with this building at an early date?

The Hon. M. McINTOSH—This building will be considered in the next financial year.

#### COMPULSORY ACQUISITION OF LAND.

Mr. O'HALLORAN (on notice)—

1. How much land has been acquired up to the present under the compulsory provision of the Land Settlement Act, 1944-1951?

2. In what districts has such land been acquired?

3. How much of such land has been acquired in each of these districts?

The Hon. C. S. HINCKS—No compulsory acquisition has been necessary. The provisions of the Act have enabled the Government to purchase land which is under-developed without applying the compulsory purchase provisions. In six cases notices were gazetted.

#### FLYING DOCTOR SERVICES.

Mr. RICHES (on notice)—

1. What was the number of calls answered by the following aerial medical services during the past twelve months—(a) flying doctor service based at Alice Springs; (b) flying doctor service based at Broken Hill; (c) flying doctor service based at Ceduna?

2. How many visits were made by air by doctors associated with the foregoing services respectively?

3. Is the Broken Hill flying doctor's service subsidized? If so, to what extent?

4. Is the Alice Springs service subsidized? If so, to what extent?

5. Is the Government aware that the Ceduna service is now to be serviced with a radio base? If so, is it the intention of the Government to give further consideration to the application for a subsidy for this service?

The Hon. T. PLAYFORD—The replies are:—

1. (a) No returns are available which would indicate the actual number of calls answered by the Flying Doctor Service of Australia. A report of the Flying Doctor Service of Australia (South Australian Section) at Alice Springs indicates that in certain cases reports on the patient would be given daily to the doctor until he was satisfied a good recovery had been made. The number of out-stations attached to Alice Springs Base at June 30, 1952, was one hundred and ninety, and the area served approximates a six hundred mile radius. One hundred and two flights covering a distance of 30,215 miles were flown in addition to 1,141 consultations over the air for year ending June 30, 1952. (b) A statistical summary for the year ended December 31, 1951, published as an addendum to the above report for all bases, quotes Broken Hill base 354 flights covering 56,523 miles and 31,142 telegrams. For the same period Alice Springs registered 35,900 telegrams. (c) No information.

Mainland . . . . .	14 15 6
Eyre Peninsula . . . . .	14 19 6

The above prices are subject to a reduction of 5s. per ton if payment is made within 30 days of the date of delivery.

3. The class of bag in which the superphosphate is supplied depends largely on the manufacturer's stock position at the time the order is executed. At present one manufacturer is supplying in secondhand sacks exclusively, unless the client stipulates otherwise. Other manufacturers with limited stocks of secondhand sacks are supplying in new sacks whenever possible.

4. Clients supplying their own sacks obtain superphosphate for £3 Os. 6d. per ton less than if supplied in new sacks provided by the manufacturers (see 2 above).

5. Production costs are higher on Eyre Peninsula. This is largely due to high-costing imported brimstone being used exclusively in the manufacture of sulphuric acid in superphosphate on Eyre Peninsula, whereas manufacturers on the mainland use a proportion of the lower-costing acid produced locally.

2. *Vide* No. 1.

3. No.

4. Yes. £1,000.

5. The Flying Doctor Service of Australia (South Australian section) has been advised by the Bush Church Aid that it has been granted a wireless licence for Ceduna.

SUPERPHOSPHATE PRICES.

Mr. HEASLIP, for Mr. Christian (on notice)—

1. Is the price of superphosphate controlled at present?

2. What is the present price in this State on Eyre Peninsula and elsewhere?

3. Is superphosphate mainly supplied in new cornsacks except where clients supply their own sacks?

4. What reduction in price per ton is made to clients who supply their own sacks?

5. On what grounds is the difference in price between Eyre Peninsula and elsewhere justified?

The Hon. T. PLAYFORD—The replies are:—

1. Yes.

2. Present prices are:—

In new cornsacks, per ton.	In once-used cornsacks, per ton.	In farmers' own sacks, per ton.
£ s. d.	£ s. d.	£ s. d.
14 15 6	14 1 6	11 15 0
14 19 6	14 5 6	11 19 0

APPROPRIATION BILL (No. 2).

Returned from the Legislative Council without amendment.

SUCCESSION DUTIES ACT AMENDMENT BILL.

Adjourned debate on second reading.

(Continued from November 13. Page 1347.)

Mr. O'HALLORAN (Leader of the Opposition)—The general principle of the Bill is to impose a graduated tax on the estates of deceased persons in South Australia at an increase on the former scale. We must remember that on estates of more than a certain amount there is also a Commonwealth impost. I am perturbed about the main reason given by the Premier for the Bill. He said that if we did not pass it in order to increase the revenue of the State by about £200,000, and thereby balance the Budget, the Commonwealth Grants Commission would almost certainly penalize South Australia in connection with next year's grant. Our grant would be reduced *pro rata* and some other form of revenue would have to be exploited

to make good the deficiency. This development that has taken place in our relationships with the Commonwealth in recent years is most unfortunate. It shows that we are no longer the sovereign State we thought we were; we no longer hold the financial destiny of this State in our custody and no longer can determine what imposts shall be placed upon the people and what form they shall take, to meet the proper charges of government. Knowing the Treasurer's remarks to be perfectly true, particularly under the present set-up at Canberra, our discussion of this Bill is considerably circumscribed, for members are faced with the realization that it is necessary to raise a certain sum to balance the Budget, and that if we do not raise a sum from succession duties corresponding closely to those raised *pro rata* from the same source in the States of Victoria, New South Wales and Queensland, the Commonwealth Grants Commission will undoubtedly penalize us, no matter how much revenue we raise in other quarters. I do not think any member desires to impose taxation merely for the sake of it: no member desires that the already heavy imposts placed upon our people by the Commonwealth Parliament should be added to by an increase in the imposts placed on them by the State Parliament after they are dead.

Mr. Moir—There is not much encouragement to be thrifty.

Mr. O'HALLORAN—Exactly. I think we have to accept the fact that some increase in succession duties is inevitable. If we do not increase this taxation we shall be penalized.

Mr. Dunks—Would that happen if we reduced our expenditure in some way?

Mr. O'HALLORAN—I do not know, but it seems that if we reduce our expenditure in any way our only reward will be a reduction in the Commonwealth grant. This is a most peculiar situation. If we are extravagant within reasonable limits, so long as our extravagance does not become too ostentatious, we can go to the Commonwealth and make out a case for an increased grant, but if we are frugal and able to pay our way without imposing taxation in certain items to the extent of other States our grant will be reduced immediately. Our railway deficits have been about £5,000,000 for several years and in spite of great increases in freight charges and fares it will remain this year at about the same figure, which is about one-third of the total cost of financing the undertaking. We should see whether steps can be taken to reduce the gap between the revenue and the expenditure of the railways.

I am not charging anyone with inefficiency or wasteful expenditure, but Parliament will have to consider this matter in the near future.

The Bill extends concessions to certain types of people who inherit small estates. Widows, or children under 21, who inherit an estate of up to £2,800 will not have to pay any succession duties, whereas the exemption in a somewhat wider classification is now up to £500. This is a step in the right direction, but whether the proposed exemption is adequate is arguable. The Treasurer should have told us how he arrived at that odd figure of £2,800.

Mr. Moir—That is the value of a cottage.

Mr. O'HALLORAN—The honourable member, being in the inner circle of the Liberal Party, may have the answer, but most people who own a cottage also own furniture and a few other goods and chattels. We should consider making that odd figure into an even figure of say, £3,000, or better still, £4,000. A widow, or children under 21, would still have to pay rates and taxes and meet other expenses after the death of the bread-winner.

The Hon. T. Playford—But in raising the exemption a big concession has been made.

Mr. O'HALLORAN—I have already said that, and I admit that in these days of changing values it is difficult to establish a figure to meet the case with justice. The Bill represents another of the Premier's stabs at any method to raise revenue. It has some similarity to the so-called winning bets taxation that he imposed a few years ago, although on that occasion, in addition to taxing winnings, he also taxed successful punters' stakes, and he proposed to hand substantial sums over to the racing clubs to enable them to increase the race stakes. The basis of the variation of succession duties is sound. Besides widows and children under 21, other direct relatives will receive a benefit greater than collateral relatives and strangers.

Mr. Macgillivray—Why don't widowers get the same benefit as widows?

Mr. O'HALLORAN—The only explanation I can give is that a man, in accordance with the long-accepted dictum that the male is stronger, is supposed to be able to fend for himself. It is now proposed to have four classes of beneficiaries instead of three. For a widow, or children under 21, on a sum between £2,800 (which is exempt) and £15,000 the rate of taxation will be lower than for other direct relatives, whilst on a sum over £15,000 it will be the same as for other direct relatives. Other direct relatives will have an



organization in his and other electorates, and which receives no Government assistance. In such cases if there is to be any succession duty it should be at a low, flat rate to cover the cost of administration; but to tax such institutions the same as a stranger in blood, as provided in the Bill, which in some cases will mean an impost of 25 per cent or more, is a provision, which should not be endorsed by this House. Because I wish this matter to be dealt with in Committee and because I see no alternative to this method of raising a considerable sum of revenue, I do not oppose the Bill.

Mr. STOTT (Ridley)—This Bill provides for a type of taxation which no reasonable person with any idea of justice should support. Many people will be hard hit by its proposals. The Leader of the Opposition said that he does not oppose it because, if sufficient revenue is not provided from this source, the Grants Commission will comment adversely and it will have to be raised from other sources. Motor companies pay as much as 30 to 40 per cent in dividends. According to today's press, the Minister for Commerce has alleged that big meat companies have made enormous profits in exporting meat to the United States of America. When this sort of thing happens how can we pass the Bill? I cannot see why we must pass it to avoid having our Commonwealth grant reduced. I have said previously that the financial position between the Commonwealth and the States should be overhauled. There is too much whittling away of the power of the States. We should not have to pass legislation to get our proper Commonwealth grant. The Bill should be rejected, even if only to show that we should not be told by the Commonwealth Grants Commission what we should do. Because New South Wales has raised its succession duties, why should the commission say that we should do the same? The people have elected their representatives to this Parliament and their views should be considered. I do not think they would support a similar policy to the one adopted in New South Wales in regard to succession duties. If we have to do what we are told by the Grants Commission, the voice of our people is not being considered.

I have had a number of cases brought under my notice. Some people with rural estates, on account of their health, have not been able to make proper provision for the payment of succession duties, and this Bill will seriously affect them. If the banking accounts of beneficiaries under estates cannot withstand the impost of

succession duties it can lead to serious financial embarrassment, and that is another reason why the Bill should not be passed. Often money left by a deceased person to a charitable institution is a net amount, and in that case the beneficiaries have to bear the succession duty. This can prove to be a serious injustice. I am not arguing in favour of large estates, but I believe that, because of its injustice to most people in the community, the Bill should be rejected. I am opposed to the principle of taxing a person on his death. It is difficult to know why the Grants Commission should say that the South Australian rates should be increased to the level of the rates in the eastern States, because they vary considerably. If something definite were set out by the commission it would be easier to agree to the Bill. The Government should seek other ways in which to increase its revenue.

Mr. Geoffrey Clarke—It does that.

Mr. STOTT—If so, the argument put forward by the Premier is destroyed. We should not penalize beneficiaries in order to raise more revenue. Any tax imposed to bring in more income should be spread over the whole community. The second schedule to the 1942 Act sets out the duties on property derived by any person from a deceased person, and the third schedule sets out the duties on property given or accruing to any person under a settlement or deed of gift. The Bill proposes to vary those rates. I have said previously that the proposal is bad in principle. When the Premier introduced the betting tax legislation I said I favoured that way of raising revenue, but was opposed to the inclusion of the stake money in the amount taxed. In Victoria the system is different: the tax is imposed only on the winnings. Through lack of finance many people are unable to make proper provision to pay succession duties. Because the Bill imposes a severe injustice it should not be agreed to.

Mr. GEOFFREY CLARKE (Burnside)—It has been said that there are only two things we can be certain of—death and taxes—and this Bill seems to encompass both. It was said by Edmund Burke that the ability to tax and please, and to love and be wise, is not given to any man. It is inevitable that such a Bill as this should evoke criticism, and the fact that there is criticism seems to me the soundest possible reason why the income taxation power should be resumed by the State at the earliest possible moment, because it will bring the impact of taxes into close touch with the people who have to pay them. Recently we passed

Estimates providing for the expenditure of £50,000,000 of the taxpayers' money almost without turning a hair. Indeed, the only criticism of the Budget came from those whose electorates' needs had not been met by the finances provided, yet the Budget has an impact on every section of the people. The sources from which the revenues to meet that Budget are derived are principally the Commonwealth grant and the reimbursements from taxation. It is expected that this Bill will yield £50,000 extra in the current year. In the acceptance of the Budget this House and the Legislative Council have accepted the principle of collecting the sum of £50,000 in the current year from succession duties, and, as the Treasurer indicated in his second reading speech, £250,000 in a full year. He also said that the balancing of the Budget was dependent upon the passing of the Bill.

The Hon. S. W. Jeffries—It was actually introduced before the Budget.

Mr. GEOFFREY CLARKE—Nevertheless, the acceptance of the Budget involved the acceptance of taxation under this legislation, whether we like it or not, to the extent of £50,000 this year. In some respects this Bill removes some hardships, and perhaps in other respects creates a new set of hardships, but it brings into proper focus the inter-relationship of taxes and costs of government. Before looking at the points of the Bill which meet with universal approval, let us examine some of the criticisms, some of which undoubtedly are well founded. High rates of succession duty are something which this State fortunately has not experienced up till now. The Bill has been classed as socialistic. Mr. Stott said it was undemocratic. Another charge has been made that it is a tax on capital. Only this morning there appeared in the *Advertiser* an advertisement over the names of four of the most reputable companies operating in this State dealing in the administration of estates. I pay a tribute to the scrupulous care they give to the estates they administer. However, they have found it necessary to balance their own budgets by imposing a capital charge on the gross value of every estate committed to their care. The advertisement took up about 8in., two columns wide, and it happened to appear on the day on which criticism was made that succession duty was itself a capital charge. That does not hold water unless we are consistent. If it is a capital tax and it is improper to balance the budget with a capital tax, then by the same token it is improper for a company to balance its budget by the

imposition of a capital charge on the estates entrusted to its care. I will not pursue that argument, but advance it to show that one must be consistent in these things, and from that point of view it seems strange that the advertisement referred to appeared on the very day, when the criticism was made that this was a capital tax.

Mr. Pearson—Is it not a payment for services rendered?

Mr. GEOFFREY CLARKE—And so are all forms of taxation. This is an integral part of the revenue devoted to meeting the expenses of a record Budget of nearly £50,000,000. Let us examine the criticism that the Bill is socialistic. Succession duties were first known in the days of the Romans, when inheritance taxes were used to pay pensions to soldiers, but in their modern form they have appeared in all democracies, particularly in the United Kingdom, the United States of America, Australia and Switzerland. Switzerland is often held up as the most enlightened of countries in its fiscal and governmental systems. Professor Seligman in his *Essays in Taxation*, 1895, says that the inheritance tax has gone hand in hand with the spread of democratic ideas. He says:—

It may be asked why democracies favour the inheritance tax? The answer depends upon the point of view from which we regard democratic tendencies. If we say, as it is so easy to do of anything some do not approve, that the trend is towards socialism, the answer is plain: inheritance tax is imposed because democracy is jealous of large fortunes. If on the other hand, we hold with the less pessimistic critics that modern democracies are endeavouring simply to do away with the abuses that come down to us from the aristocracies of the past, we may claim that the inheritance tax is only a means of securing equality in taxation and of realizing the principle of ability to pay.

Because the tax had been urged frequently by those who are opposed to large fortunes, it has usually been overlooked that it may be defended on purely economic grounds as in complete harmony with the general principles of equitable taxation. Leaving aside the socialist doctrine for succession duties, let us examine the other three arguments adduced for its support. One put forward relates to the cost of service theory. The courts from which probate is granted are a source of expense to the Government and a source of special benefit to those who use their services. It is reasonable that charges should be made for the granting of probate and the transmission of property. I am not attempting to justify the rate schedule in this Bill on the

basis of the cost of service theory. There will never be any agreement on that—the Treasurer himself will probably be the only one satisfied with the rates. The cost of service theory is a rather slender theory and would only justify light duties.

A somewhat more substantial theory considers the inheritance tax as the price of a special privilege, not so much a fee paid to defray costs of Government services as a charge proportioned to the advantages which accrue to the recipient of the inheritance. In the United States of America succession duties were not regarded as a tax on wealth or capital, because in some States they were unconstitutional, but as taxes on the transfer of wealth or capital. The generally accepted doctrine justifying succession duties is that it is a direct tax on the recipient of the inheritance, as the addition to the wealth of the legatee increases his ability to pay. Although a legacy is not of the same character as a regular income, it is in the nature of a windfall income and clearly adds to the ability of the legatee to pay. I hasten to interpose that there is a wide difference of opinion as to the extent of the ability to pay. It is in the nature of a windfall and clearly it is an addition to the ability to pay. It is also true that equal legacies in different hands do not equally increase the ability to pay. The law under this Bill recognizes that in the varying scales of charges to widows, direct descendants, those in a parallel line to the testator, and those of no blood relationship whatever. The South Australian form of taxation, too, measures the tax in relation to the actual legacy and not in relation to the total value of the estate, which is done elsewhere in the Australian States. That method involves a much greater payment to the Crown with almost a complete disregard for ability to pay. The logical defence for the tax is the accidental income argument in harmony with the generally accepted principle of ability to pay. Seligman, from whom I have drawn largely on the matter of ability to pay, wrote his essays in 1895 and said, even in those days, that the tax scarcely needed any defence. This form of taxation is to be found in practically every country. Seligman said that the rates were not only progressive, but even in those days were regarded as high.

It may be interesting to learn that death duties have been levied in the United Kingdom since 1694. In 1796 Pitt made many changes in these taxes, and executors were made responsible for payment for the first time. In 1853 Mr. Gladstone, who was not a Socialist by present-day standards, brought within the scope

of succession duties all successions to property by reason of death, whether the property was real or personal, and whatever the nature of the title to receive it. John Stuart Mill, an economist of the classical school, discounted the theory that death duties tended to diminish the funds available for the maintenance of productive labour. He said that the amount which would be derived from a very high legacy duty in each year would be but a very small proportion of the annual increase of capital in a wealthy country. He regarded legacy duties as taxes in respect of which it was both expedient and just that the principle of graduation should apply. There is a large volume of material which should be examined by critics before the general charge is made that the duties are socialistic and that they should be repealed. The fact is that they were first put on a correct footing by the very father of Liberalism, William Ewart Gladstone himself. Indeed, if we take the trouble to look back we shall find that Liberalism has sponsored all the great reforms.

Let us now consider the provisions of the Bill. There are certain points on which we are all in agreement and the Government must be complimented for remedying defects in the Act. I believe all members will agree that the principle of taxing a succession is infinitely preferable to the principle of taxing the whole of the estate, which is done elsewhere. Under the Act there is a system of increased rates going up in steps and stairs. This has been a source of great annoyance to administrators of estates and must indeed have been vexatious to the office charged with administering the Probate and Succession Duties Acts. With a proper regard for the preservation of the revenue, the Commissioner of Succession Duties has sought to put values at their maxima, rather than on an average basis, so as to bring estates into the next highest category for duty. Under income taxation an extra pound of income does not involve an extra one pound in taxation, but under succession duties, by the archaic method of steps and stairs, an extra one pound in the value of estate may perhaps increase the duty by many pounds. This has been avoided by the present Bill, and should give great satisfaction to those administering estates. The relief granted to widows and children under 21 is very proper in principle.

I now raise a point in all seriousness. I think that in the marriage ceremony the husband-to-be utters the following words:—

With this ring I thee wed, with my body I thee worship, with all my worldly goods I thee endow.

If that marriage service means anything, it means that the worldly goods belonging to the husband at the date of the marriage become the property of the wife. The Government has established a registry office in which those vows are recorded, and the matter might be investigated to see whether thousands of widows have been compelled to pay succession duties on goods already theirs.

Mr. Fletcher—Because they were already endowed?

Mr. GEOFFREY CLARKE—Yes, and those words, in my opinion, constitute a gift within the definition of a gift in the Gift Duties Act. I do not suggest it would apply to goods subsequently acquired by either of the parties, but if that marriage service, performed in great solemnity before accredited witnesses, and recorded in a registry, means anything at all, it means that all those worldly goods belong to the wife.

Mr. O'Halloran—Is that form of marriage service prescribed by law?

Mr. GEOFFREY CLARKE—That is the marriage service by which many people are married. Those goods are bestowed before witnesses, with or without consideration. The disponor passes the property in the goods on to the donee.

Mr. Pattinson—Can the wife claim the goods during the lifetime of her husband?

Mr. GEOFFREY CLARKE—They have been given to her by a binding promise and a binding gift.

Mr. Pattinson—Does the wife have to wait until the husband is dead, or can she say "They are mine now?"

Mr. GEOFFREY CLARKE—I believe the goods are already hers. She does not have to wait until her husband is dead. Another point in the Bill with which, I believe, all members agree, is the extension of time allowed before which interest will be payable on succession duties where there is a matter in dispute. Thirdly, there is more generous treatment for widows. I have met with some concern lest adopted children should be treated as strangers. I have conferred with the Treasurer and he agrees that they should be regarded as in the same category as heirs of the body, both in the case of intestacy and where a will is left, the only exception being, I think, where the legacy is specifically referred to as for heirs of the body of the testator. The Leader of the Opposition expressed some concern about the impact of these duties on charities. I, too, am concerned. I should like to see a thorough

examination into what effect the extension of duties at a higher rate really has on charitable institutions. We have every need to encourage a continuance of Christian charity, for it will be a sad day for the community if it dries up. Like the Leader of the Opposition, I have had some difficulty in interpreting the Statutes of other States, but it seems that they do not tax successions to charities as highly as this State does. However I am not sure on this point. In the administration of succession duties it is the practice in South Australia, and I believe elsewhere, to tax the succession on the most remote person who is likely to succeed to the estate. For example, if after the death of a widow and in the event of a son predeceasing an uncle, the Commissioner for Succession Duty imposes the highest rate applicable to any person mentioned in the testamentary document. Similarly, if there are 10 charities named in a will the Commissioner assumes that at the date of the ultimate distribution of the estate there may only be one left, and taxes that succession at the highest possible rate. On the other hand, the ultimate recipient of the legacy is entitled to apply to the Commissioner for a refund of duty, but it seems the Commissioner's procedure can lead to hardship where the life tenant's income is reduced by the income which would arise from the investment of the additional funds which have gone to pay duty that may ultimately be refunded.

There is another aspect which leads to extreme difficulty to lawyers in the proving of wills. Succession duty is one of the few but growing number of taxes where the taxpayer has to compile his own assessment and prove it to the satisfaction of the collector of revenue. Other taxes in that category are the payroll tax and sales tax. The administrator of the estate is compelled to calculate all the items of duty in each particular succession and present a statement to the department. Where a legacy is left free of duty and the remainder of the estate has to bear the duty on it, it is the custom of the succession duties office to add the duty to the legacy and then levy the tax on the total. For instance, if a legacy free of duty were left to the value of £500 and the duty were £50 it is assumed that the legacy is £550 and the duty is then charged on the total. It may then amount to £55. The Treasurer should examine a suggestion that where a testator leaves a gift free of duty, duty should be charged on the actual legacy as in other cases. The State would not lose because the remainder

of the estate would be greater and thus have to bear a higher rate. What the State would lose on the swings it would gain on the roundabouts.

I believe the House has agreed willy nilly to raise £50,000 extra this year from succession duties. I cannot see how we can avoid this unless we adopt the unthinkable course of accepting an unbalanced budget. When the Premier said in introducing the Budget that he proposed to amend the Succession Duties Act so that an extra £50,000 would be produced from that source in the current year and an extra £250,000 in each of the following years not one voice of protest was raised in this House or in the community.

Mr. Stott—I raised mine but I was ruled out of order.

Mr. GEOFFREY CLARKE—The honourable member cast no vote against the Budget, and its acceptance indicated acceptance of the principle that an extra £50,000 was to be raised by means of succession duty. I do not like these rates any more than does any other member.

Mr. Stott—Then you should vote against the Bill.

Mr. GEOFFREY CLARKE—I supported the Budget and I do not intend to go back on my word, whatever urging I may receive from members opposite. The Budget explored every possible source of revenue, and when we are scraping the bottom of our financial bin it is inevitable that some inequalities and inequities will be suffered, as they will be suffered under this Bill. The Commonwealth Grants Commission has penalized this State very heavily for failing to raise more revenue by this means. Perhaps the fact that South Australians have not got used to and never will get used to high rates of duty is responsible for the criticism against this measure. Two years ago the Premier agreed to set up a committee to examine the impact of the landlord and tenant legislation and as a result of that examination many ameliorations of its harsh effect were achieved. The Treasurer regards this Bill as an integral part of Government policy and says that it is vital to the Government. I make the following constructive suggestion that a committee similar to that which investigated the effect of the landlord and tenant legislation be set up to examine the following matters:—

1. Whether the impact of succession duties is detrimental to charities;
2. Whether the present method of taxing the remote succession is really justified;
3. The results of charging duty on duty where legacies are left tax free, with the object of simplifying the present procedure.

4. Departmental practice in valuing shares in private companies with a view to seeing whether this accords with proper principles.

Valuable material would come from the investigations of such a committee. It seems that the rates imposed by this Bill are substantially higher than those to which we in this State are accustomed. It is most noticeable that when a tax is imposed by a Government charged with the responsibility of collecting the revenue it expends it must face criticism, but that is a healthy sign in a virile democracy. In the knowledge that this House supported the Budget realizing that £50,000 extra was to be received this year from succession duties, I have no alternative but to support the Bill.

Mr. DUNKS (Mitcham)—I never have and never will like this type of taxation and for that reason if for no other I oppose the Bill. Further, I regret very much that members have been told that if they do not vote for it the Commonwealth Grants Commission will not grant enough money to South Australia to balance its Budget; but is this balancing of the Budget such a very important thing?

Mr. Riches Has the Grants Commission actually said that?

Mr. DUNKS—The Premier does not say so in so many words but says in effect that, if we do not raise this extra amount by way of succession duties so as to compare with the other States, a certain sum will not be forthcoming by way of grant. This afternoon reference has been made to the Estimates which were recently before us, but those Estimates were largely Estimates of revenue and not entirely Estimates of expenditure. Members should look at the proposed expenditure of this Government, for if it could be reduced by the £50,000 mentioned by the Premier as being the additional proceeds from succession duties the Grants Commission would say to him, "Well done! We are still prepared to give you the same grant as in other years." For a long time, particularly since the introduction of uniform taxation, I have feared that some day the Commonwealth Government might say to us, "We want to have a look at your Budget before you introduce it because if you do not do the right thing we will tell you what to do." In introducing this Bill the Premier practically told members, "If you do not impose this extra taxation in conformity with other States our Commonwealth grant will be reduced." As one who has had to earn everything he has today by hard work and organization in industry I have looked at the expenditure approved by this Parliament, particularly

over the past 10 years, and I consider that that expenditure could have been reduced on hundreds of items. Large sums have been given away, and I remember particularly the amount of £5,000 granted to the symphony orchestra.

Mr. Macgillivray—What about the half a million pounds granted to the Tramways Trust?

Mr. DUNKS—Yes, and many other grants have been made which were all very well in times of prosperity when we had a Federal Government which was prepared to hand out large sums willy nilly from time to time.

Mr. Fletcher—I would not say “willy nilly.”

Mr. DUNKS—Such sums were often handed out without much consideration, and the best case which it seemed could be made out to the Grants Commission was to take them all over the State and show them what we were doing and what we would do with the extra future grants.

Mr. Fred Walsh—What is wrong with that?

Mr. DUNKS—There is an old saying that you catch more flies with honey than vinegar, and the Grants Commission was taken around and made to feel good fellows in an effort to secure a substantial grant. Many savings could be made in our expenditure. Why, in the case of this legislation, should New South Wales and Victoria be quoted as examples to be followed when during the last few weeks, in reply to questions by members who have quoted practices in Victoria, we have been told that because we do not want to get into the present political difficulties experienced there this Government does not intend to follow the lead of that State? We have been told that if we do not follow the example set by other States in raising revenue by means of succession duties our Commonwealth grant will be reduced.

Mr. Fletcher—Do you agree with that?

Mr. DUNKS—No. The revenue from succession duties today is quite sufficient, and, although one member told us what happened in the sixteenth century when succession duties were imposed in England, I remind him that in those days the King was almost supreme and the imposition of income taxation as we know it today was almost unknown. This system of taking money from those who have much and giving it to those who have little is a system that has grown up over the years. When we analyse it, it really means putting an impost on people who worked hard during their working days. We should not alter the rates to the extent proposed, just to get our proper Commonwealth grant. We should try to find directions in which we can save expen-

diture. We have had a period of expenditure. It has been easy to get money and we have spent it without giving the matter much consideration. In the commercial life of this State the people are beginning to experience financial difficulties, and I forecast that in the years to come the position will become worse. I am not prepared to accept this Bill unless amendments, with which I agree, are accepted in Committee.

Mr. SHANNON (Onkaparinga)—I was suspicious of this Bill when the Premier explained it. He avoided giving any figures. After hearing the Leader of the Opposition my suspicions seemed to be well founded. The Opposition played the usual band music in favour of legislation which appears to be in accordance with Labor policy. Succession duties are a tax on moneys that have already been taxed, and the system can be regarded as nothing else than an attempt by the Government to redistribute moneys that people have accumulated as a result of thrifty living. We say that some people inherited wealthy estates established in grandfather's time, but why should they be penalized now if Governments of grandfather's day did not impose heavy succession duties? We are really considering now whether people should pay a tax on moneys set aside for the future. The Premier says that he is increasing our succession duties to the average severity of the rates in the other States.

Mr. Pattinson—They were the words of the Grants Commission.

Mr. SHANNON—No. They were used by the Premier. They do not appear in *Hansard* in italics or in inverted commas. The Premier said:—

Looking at the matter as a whole the result of the new rates will make the average severity of our duties the same as that of the eastern States.

Mr. Pattinson—The word “severity” is copied from the report of the Grants Commission.

Mr. SHANNON—Then it is a most unfortunate copy, if it is copied. As Mr. Dunks rightly said, our policy in finance is being dictated to us by the Commonwealth, which is paramount in the field of finance. We have to go cap in hand each year to get a Commonwealth grant. The matter is considered by the Grants Commission and we are given a grant to compensate us for the disabilities we have suffered since Federation. Mr. Dunks should have said that the time has now arrived when we will be told which financial policy

we should follow if we are to receive a disabilities grant. The Grants Commission has said that in succession duties there must be an increase or our Commonwealth grant will be reduced. That is a direct instruction to our Premier, and he must do as he is told or suffer the consequences of a reduced Commonwealth grant. If this is a sample of the responsible government we thought we had in South Australia, it is something that will lead to ultimate extinction. We cannot justify a continuance of this Parliament if it is nothing but a rubber stamp for someone else.

Mr. Stott—It will lead to Communism.

Mr. SHANNON—It will lead to central government, about which I have an equal abhorrence. We do not want to go along this road with our eyes closed. I cannot appreciate the need for accepting the instruction from the Commonwealth Grants Commission. There is no requirement on the part of the State to accept it. The sooner we throw down the gauntlet and the sooner we tell the authority in Canberra that we are going to govern South Australia, and raise the funds we require, the better it will be. The Bill is a direct negative of that policy. It is an acceptance of Canberra domination. It is a knuckling down to the powers that be in Canberra, and I am not prepared to accept the instruction. I would tell the Canberra powers that be that we know what is good for South Australia. We are more prosperous per head of population than any other State, and that is largely due to the work of our Premier, but it is no reason why, having established an economy that proves that we are prosperous, we should impose a tax on thrifty people. I intend to give some figures regarding the succession duty to be paid under the old scale and under the proposed scale. I will take an estate of £5,000 as the minimum, and that is an estate which does not bring in sufficient to keep people off the old age pension. The figures I have show that on such an estate the widow and children under 21 have to pay a duty of £225. Under the new scale the duty will be £400.

The Hon. T. Playford—On an estate of £5,000 the tax will be lower under the new scale.

Mr. SHANNON—The Treasurer was careful not to give us any figures when he explained the Bill. He did not say what effect the altered rates would have on the various categories.

The Hon. T. Playford—There is a complete table at the back of the Bill.

Mr. SHANNON—Yes, but it does not give the present rates, and that would be useful to members so that they could see what they were doing. We could then compare the present rates with those proposed. This is a reasonable request. I have had figures given to me by a man who prepares statements for the probate office practically every day. I am sure he would not compare the lowest rate in one case with the highest rate in another, but his figures show a great disparity between the present and proposed taxes. I shall not read all the figures, but members should know that it is proposed to increase succession duties substantially in many cases. According to my schedule an estate worth £10,000 will be taxed at £1,025, compared with £650 at present; an estate of £15,000 will pay £1,775 instead of £1,125. The taxes in both New South Wales and Victoria on such estates are considerably less. Estates left to a widow or a child in New South Wales are taxed at 27 per cent; to brothers, sisters, and other close relatives at 29 per cent; but for charities the rate is reduced to 25 per cent. It can be seen that that State encourages bequests to charities much more than we have, as the member for Burnside pointed out. The rate in New South Wales for strangers is 32 per cent. Much higher rates will be levied in this State on very big estates. The exemption of £2,800 for widows and children under 21 is higher than in other States, it being £500 in Victoria, but it is obvious that the beneficiaries in many moderately large estates will be embarrassed because their liquid assets will not be sufficient to meet the demands of the probate office. If a husband left a moderate estate to his wife and she died shortly after the beneficiaries would get very little because the duties from the estates of the husband and wife would be very considerable. If the beneficiaries did not realize the estate to meet the taxes they would have to mortgage it up to the hilt. The sons of fathers look forward to inheriting their father's property, but two severe succession duties fees in a short period would deny them that right. Parliament should seriously consider these things before passing this Bill. I should not be charged with standing up for the rights of wealthy people because I am not now referring to people that could be called wealthy. The estates I have in mind would be worth perhaps between £10,000 and £20,000, but such sums would not provide a really handsome revenue at 4½ per cent after taking into account the commitments to be met. I am

afraid the Bill will lay a burden upon the thrifty section of our community out of all proportion to the good it may do.

I believe that in the first year the Treasurer will receive the extra revenue he seeks because testators will not have time to divide up their property to avoid succession duties in this financial year. To do this the testator must dispose of his property more than 12 months before his death, though under the Commonwealth law the period is three years. However, people who handle the estates of deceased persons tell me that in their opinion as soon as the impact of the new duties is appreciated those with fairly large estates will get rid of their assets to those to whom they would normally bequeath them. They will then only have to pay three per cent gift duty. By this means they will be able to dispose of assets worth up to £1,500 free of duty. They know their families will not leave them without a feather to fly with, that they will be looked after and suffer no material loss through disposing of a major portion of their assets by way of gift before death. Through this process I am afraid the Treasurer will lose much revenue. It is even possible that succession duties in the years to come will fall. I admit that the Government could step up the gift duties, but that would be about as popular as the legislation now before us. The Treasurer should have sought additional revenue from other quarters, such as through entertainment taxes. I see little harm in forcing people with money to spend on amusements to pay a little more. Perhaps the tax on racing tickets could be increased. It appears to me that less harm would be done by taxing the spare money in the community which people have to spend on pleasure.

I agree with the member for Mitcham that certain avenues of expenditure could have been pruned. The Housing Trust has plenty of prefabricated houses for sale not only in Darlington but in other parts, and we should have drawn in our horns and said that we had finished building purchase homes and that only rental homes would be built. We should have said that the Housing Trust would concentrate on the task for which it was originally intended—the construction of homes for letting to people who had not the means to build their own. By that means the trust could have dispensed with the services of some of those officers engaged on preparing plans and others who inspect the buildings to see that they comply with the specifications, and thereby half the staff of the Housing Trust

could have been released for other duties. Another avenue for raising additional revenue, as I said before, is the entertainment tax and it would have been easy to impose an extra 3d., 6d., or 1s. on the price of admission to picture shows. We have gone too far towards killing the goose that lays the golden eggs. If we are not careful we will cut its throat and then there will be no more golden eggs.

Mr. MACGILLIVRAY (Chaffey)—It is more in sorrow than in anger that I rise to oppose this Bill, for I regret that a Treasurer who has done so much to develop this State has seen fit to introduce this Bill which represents an extension of the much-dreaded levelling advocated by Socialists. It will result in a reduction of the savings of thrifty people who have looked after their families for years and who during their lives have paid income tax, sales tax, tariffs, and other taxes that the ordinary citizen is called upon to pay towards the running of the country. After a man dies and is no longer able to speak for himself to protect his rights, his savings are taxed by the Government. By this means the Government makes considerable inroads into his savings. As long as we have a financial system that puts the State deeper and deeper into debt each year it will be necessary to increase our taxation, but in spite of that I suggest there are other methods whereby revenue from taxation could be increased, and, no matter on what lines taxation is increased, some section would oppose it. Our people would sooner that a tax be imposed on the living than on the dead. In speaking recently in the Budget debate the member for Stanley pointed out that in 1951-52 the State debt had increased by £25,000,000. This is amazing considering that there are not many more than a quarter of a million taxpayers in the State. Over the past three years the State debt has increased by £48,000,000, and as a people we have a debt of £215 per head of population, which is absurd. The Treasurer of the day is forced to keep on increasing his rates or to reduce his expenditure.

The member for Burnside said that because this Parliament had passed the Estimates it must support this legislation, but I do not agree with that. The Estimates deal with all the expenditure incurred by the State, and there are many different departments and hundreds of lines of expenditure, making it impossible for one member to give attention to every line, so each member is forced to accept the Budget having criticized only those lines in

which he is particularly interested or of which he has special knowledge. On the other hand, however, if the House votes against any one line of the Estimates such a vote would be taken as one of no confidence in the Government; so from the point of view of practical politics there is no significance in a comparison between opposition to the Estimates and to this Bill. This type of levy is one means whereby Socialists and Communists intend to implement their policy of levelling down the various sections of the community.

Mr. Pattinson—There must have been many Socialists and Communists in Scotland, for this type of duty has existed there for more than 300 years.

Mr. MACGILLIVRAY—Even if it had existed in Moses' day that would not make it any more righteous. There was some reason in the early days of Socialism to support legislation of this kind because of lack of knowledge of the financial system. There was a saying that the Government should take away from the rich to give to the poor, but since then such Socialists as Bernard Shaw have pointed out that the rich man may be taxed into the gutter without anything being done to improve the lot of the working man. Indeed, he has gone further to say that if a man must work, he should work for a rich man who can afford to pay more than a poor employer. There may have been something in the policy of levelling down which attracted Karl Marx and his followers, but when a Premier follows the principle of such men it makes one wonder where we are heading. Recently I read a book called *I Go Where I'm Sent*, by David Walker, a war correspondent who has travelled extensively in countries controlled by the Communists. He told of a letter which had been smuggled out from behind the Iron Curtain, an extract of which read:—

First of all, our Government seized all houses in the country belonging to landowners who possessed more than 50 acres of land, on the charge that they had all been "beasts and exploiters."

It is true that those who support this legislation do not suggest that those who have accumulated certain of this world's goods are beasts and exploiters, but it is implied that they have done something wrong, for part of their goods is to be taken away from them on death. One of the early presidents of the United States, Thomas Jefferson, said:—

I place economy among the first and most important virtues, and public debt as the greatest of dangers to be feared . . . . . To preserve our independence, we must not let

our rulers load us with perpetual debt . . . . . We must make our choice between economy and liberty, or profusion and servitude . . . . . If we run into such debts, we must be taxed in our meat and drink, in our necessities and our comforts, in our labours and in amusements . . . . . If we can prevent the Government from wasting the labours of the people, under the pretence of caring for them, they will be happy.

We, however, are going further than Thomas Jefferson foresaw, because no longer is our taxation limited to the necessities of life, as we have descended to the low level of taxing a man's wealth after his death when he is no longer in a position to defend his savings.

Mr. McAlees—He would know nothing about it.

Mr. MACGILLIVRAY—No, but his children will know all about it, and it is not a sound basis on which to build a democracy. Members have been told *ad nauseum* from the Government benches that the foundation of democracy is the family and that when family life ceases to exist everything will go with it, but is this legislation an incentive to keep a family together and for parents to struggle, save and build up so that their families will have something with which to start off that the parents themselves did not have? All their striving goes for naught. In introducing this Bill the Premier said:—

This State has been subject to an adverse adjustment to the extent of £150,000 in its grant from the Commonwealth Grants Commission because our rate of succession duty is lower than that paid in the eastern States. Considering the disadvantages South Australia has progressed very well and instead of increasing our succession duties it would have been much fairer to increase our land tax rates. Land tax is only a minor tax, and it has the virtue of being a tax on people who are still alive. Mr. Shannon referred to the use of the word "severity" by the Premier. I think it would have been wiser if he had used the word "incidence." In these days when heads of departments are becoming more and more important they associate "severity" with "justice" and not "mercy," which to them is a different thing altogether. When the succession duties were first imposed there was a low tax up to £3,000.

The Hon. T. Playford—There was an exemption up to £500 and a very nominal tax up to £3,000.

Mr. MACGILLIVRAY—The Premier said—  
The duties in this scale vary from 1½ per cent to 20 per cent of the value of the property, with a provision for half rates where

the person succeeding to the property is the widow or a child under 21 of the deceased and the estate does not exceed £3,000.

The Hon. T. Playford—The concessions in this Bill are very important for the widow and children.

Mr. MACGILLIVRAY—I do not accept that.

The Hon. T. Playford—I will give the honourable member some figures later and he will be astonished at the position.

Mr. MACGILLIVRAY—My point is that there was a tax of from 1½ per cent to 20 per cent of the value up to £3,000. The proposed exemption of £2,800 is the equivalent of only about £1,000, according to present-day values. I take strong exception to the following statement by the Premier:—

The fourth scale is that applicable where property passes to strangers in blood. These duties are from 10 per cent to 30 per cent of the value of the property, and are from 35 per cent to 40 per cent higher than the present rates.

It has relation to generous-minded people who leave money to assist certain institutions. The proposed increase in the rate on this money is a shocking act. I have heard Government supporters say when a grant has been made to institutions that the Government has been most generous, but they have not remembered that the Government has probably taken away more than was granted to them. This is a point on which members should take a firm stand. If a person leaves a portion of his estate to an institution, it should be free from taxation. What is the use of taking money from an institution and then handing it back to keep it going? I realize that some institutions have money taken from them but get no Government grant. The Premier said that the Bill provided a smooth progression, but the road to hell is also one of smooth progression, and a man having once set foot on that slippery path there is no stopping until he finds himself at his ultimate destination. Despite the personal support the Premier gets in South Australia, he is by this Bill stretching the goodwill of the people too far, and I am afraid he will finish up on the slippery slopes which lead to political Hades. In Committee I will move to add the following paragraph to Clause 12:—

No duty shall be payable under this Act upon any property devised, bequeathed, or passing under any non-testamentary disposition, for religious or public scientific or public educational purposes in the State, or to a public hospital or public benevolent institution or public benevolent society in the State.

This is an amendment which should be supported. I oppose the Bill.

Mr. FLETCHER—I disagree with legislation of this type. Up to a few years ago members received copies of the Grants Commission reports, and they were interesting and helpful. They showed what was required of the States. On odd occasions the attention of State Premiers was drawn to laxity in administration and reasons for deficits. The older members in this place will recall that a previous Premier was told that the failure to balance a budget was due to his inability to collect taxation. In the following year it was collected. Now it is said that the succession duties in this State are lower than they are in New South Wales. It is interesting to read some of the statements in the reports of the Grants Commission. During recent years it has referred to what has been done in South Australia in connection with social services. I maintain that it has considered the greater amenities to production available in New South Wales compared with those in the three claimant States. Under the guidance of our Treasurer and with the assistance of all members of Parliament South Australia has reached the stage where its production is almost on a par with that in the non-claimant States. In effect, the Bill will ensure that thrift does not pay. As it does not pay with the individual evidently it will not pay with the State, because the more thrifty and economic a State is the easier will the Grants Commission find chinks in its armour and point out where the claimant States are erring.

It is regrettable that the Treasurer has asked the House to agree to this Bill, which reminds me of a cartoon I saw some years ago of vultures waiting on the trees for the animals nearby to die. In these days it is dearer to die than to live, and it would appear that we are to be taxed out of existence. This legislation will have a damning effect on contributions to worthy institutions. The Treasurer has repeatedly told us that it is not the Government's policy to hand out any assistance to those desiring to establish old folks' homes. This is a very live question in my district, where the people are desirous of doing everything possible to establish such homes, and they want them to stand on their own feet. People are being approached by solicitors, trustee companies and others and asked to leave some of their money to such a home, but if the Bill is passed the value of any benefactions will be considerably reduced. I feel that eventually there will be appeals either to the State or the Commonwealth Government to assist these homes, and the result will be that a certain percentage of the money collected

through succession duties will be handed back, and handed back at the appropriate time. That is why I am opposed to this legislation. The Bill has been introduced under instructions from the Grants Commission to the Treasurer to get more from this source. If the Commission told the Treasurer that he must raise his interest rates on his next loan, either for Governmental or semi-governmental purposes, would he be willing to do so? I noticed in Saturday's *Advertiser* that in response to its appeal for a loan of £1,500,000 the Electricity Commission of New South Wales received only £1,438,150, although the interest rate was  $4\frac{1}{2}$  per cent. I understand that the next Government loan is to be at  $4\frac{1}{2}$  per cent. Is South Australia to follow New South Wales blindly? Recently the Minister of Health said that there was no organization of greater importance to South Australia than the Mothers and Babies' Health Association. He was moving the adoption of the annual report and balance-sheet at the annual meeting of this association. It started from donations from people who believed that it was an organization worth while, and it has reached a very high standard. I submit that this legislation will discourage benevolent people from subscribing toward the establishment of old folks' homes in the country and therefore I am opposed to it.

Mr. PEARSON (Flinders)—My first feeling towards this legislation was one of intense dislike. I find myself in agreement with the sentiments forcibly expressed this afternoon as regards the principle enunciated. Much time has been spent in the debate on matters not entirely relevant to the Bill. We have discussed at length the question of succession duties as such.

Mr. Pattinson—As if it were something entirely novel!

Mr. PEARSON—I agree that succession duties are distasteful. I believe they are a direct thrust at thrift, that much harm has been done in some countries, including the Mother Country, by the unwise imposition of such duties, and that these duties, if improperly applied, can be one of the most insidious weapons of Socialists. It must be conceded to opponents of this legislation that the Government has benefited, as some individuals have benefited, by the inflated values which are incidental to this generation. In other words, revenue received from this tax is considerably increased because the value of properties has increased; also the value of the pound has decreased, and the

number of pounds the Treasury will receive as a result of inflation is considerably increased. It might be argued from this angle that there should not be any just cause for an increase in succession duties. I listened with much sympathy to the arguments advanced by those who say it is improper, almost indecent in fact, for this State to have its policy defined and decided to such a large extent by the policies of Governments in other States. I find it extremely distasteful to have to bow to the erratic and socialistic legislation which emanates from a wobbly Government in Victoria, a Labor Government in New South Wales and a Socialist Government in Queensland, which have been in existence in those States for such a long time. The fact that the Treasurer has so often reminded us of our position in relation to the Grants Commission and its operations in no way ameliorates the distaste I feel for the position in which this State is placed.

*Sitting suspended from 6 p.m. to 7.30 p.m.*

Mr. PEARSON—Before the adjournment I was discussing the effect of the policies of this and other State Governments on the grants we receive from the Commonwealth Government as a result of the recommendations of the Grants Commission. There does not seem to be any ready answer to this problem, nor does it seem that, while we are a claimant State, there will be any relief from this unfortunate situation. The most one can do is to register a protest, ineffectual though it may be, and be resigned to the inevitable. At the outset I said that at first sight this Bill seemed extremely distasteful to me, as it was to other members. However, I realize that to balance his Budget the Treasurer has been compelled to overcome certain difficulties. For instance, we are all aware of the cost to be incurred in assisting a certain large public undertaking in this city. I have said before—I think during the debate on the Address in Reply—that if we demand costly services from the Treasury we must pay for them. Extra revenue has to be raised, so I made a careful examination of the effect on the average person of the new rates proposed under the Bill. Such an examination throws a different light on the matter we are discussing and has gone a long way towards satisfying me that, considering our high level of public expenditure, there is justification for this legislation. On a bequest of £2,800 the present tax is £112, though if the beneficiary is a widow or child under 21, it is £56. Under this legislation there will be

no tax at all on a widow or child. The present tax on £5,001 is 6½ per cent, that is, a duty of £325, but it is now proposed to impose a duty of £275, a reduction of £50. The present rate on £10,001 is 9 per cent, making a duty of £900, but under the Bill it will be £1,025, an increase of £125. On estates of over £10,001 the increase in duty becomes progressively greater. For instance, on £15,001 the additional duty to be paid will be £125, on £20,001 it will be £325, and on £30,001 it will be £675.

The Hon. S. W. Jeffries—How will the Treasurer get his increased revenue?

Mr. PEARSON—Obviously from the big estates. A parent dividing his estate of £15,000 equally between his wife and two children will effect a saving to them of £150 compared with the present rate. If he had an estate of £30,000 and divided it in the same way his beneficiaries would only pay additional duty of £375. As the Treasurer must obtain additional revenue, I do not think an additional duty of £375 on such an estate is unduly harsh. I do not think many people will leave estates valued at more than £30,000. After all, the law provides legitimate means of disposing of estates to considerably reduce their overall value. I feel compelled to agree to something which at first sight was most distasteful to me. I think that if members view this legislation fairly they will be prepared to support, or at least accept, it.

Mr. Moir—How about its effect on charitable institutions?

Mr. PEARSON—I have discussed this point with the Treasurer and asked him if he would make a clear statement comparing the position here with that in other States.

Mr. Macgillivray—It is what we are doing here that matters.

Mr. PEARSON—I have already said that we are obliged to accept the position in which we find ourselves as a result of the activities of the Grants Commission, so what is done in other States is relevant in this matter.

Mr. HAWKER (Burra)—One of the worst features of this legislation has been referred to by many members, namely, that we are influenced in our methods of raising revenue, and to a large extent in the expenditure of our money, not entirely by what the Treasurer thinks is in the best interests of this State, but largely because of our dependance for some of our revenue on Commonwealth Grants. We must also have regard to the level of taxation adopted in the eastern States. This takes from us much of our sovereignty. The sooner we

again collect the bulk of our taxation in this State the better. One member said that this legislation was a taxation of the dead, but I do not subscribe to that view. It is very much a taxation of the living. Four scales are to be adopted instead of three, and consequently it is almost impossible to compare the duties under both methods, though I believe the Treasurer has some graphs to show the comparison fairly clearly. The Bill was introduced to raise extra revenue, and the Treasurer expects to receive this year an additional £50,000 and in a full fiscal year £250,000. We should remember that we have passed through a period of inflation since 1942, when the present Act was passed and £1,000 is worth not nearly as much as it was in that year. The greatest sufferers under the new scale of taxation will be strangers in blood and consequently charitable institutions. The member for Burnside outlined the history of succession duties legislation and referred to Acts passed in the seventeenth and nineteenth centuries, but taxation, both direct and indirect, was not as widespread nor as heavy then as it is today. Anybody who objects to this Bill does not object so much to succession duty as such but rather to the fact that it is increasing in severity, in some cases by up to 30 per cent, an amount which I think would not have been acceptable in the 17th or the 19th century. Despite what the member for Burnside said, a high rate of succession duty reduces the capital available for production and therefore tends to kill the goose that lays the golden egg. Consequently, high succession duties should be avoided wherever possible. Money is often tied up in some productive enterprise, and when an estate has been valued for succession duty purposes and it consists of industrial or rural property the operations of the concern may be affected because a large sum must be found to pay succession duties. Further, when a man knows that when he passes on much of his money will go to the Government, that is definitely a tax on efficiency and thrift; therefore, high succession duties are a mistake and should be limited as much as possible. I realize the Treasurer is in a nasty position because he has been practically told by the Grants Commission that he must raise this money or this State's grant will be cut by £150,000; therefore he must have thought very seriously before deciding to raise this taxation to a level comparable with that in the eastern States. Nevertheless I add my protest on the necessity for introducing this Bill which raises succession duties to such a high level.

Mr. BROOKMAN (Alexandra)—I strongly disapprove of this measure because I feel that this is more than a tax; it is really a levy on capital. A man may build up an asset during his lifetime and while he is doing so he pays taxes; then after his death a heavy succession duty is imposed. I see no reason why the junior members of a family should be, in effect, put back a rung on the economic ladder because of the death of the senior member. A farmer may spend his whole life building up a very good asset, assisted in that task by his son; yet on his death the farm may have to be sold to pay the succession duty. I can think of no greater loss to the State than the sale of a farm under such circumstances and the consequent dispossession of the young man who has been brought up on it. A man told me recently that if he died today his son would have to pay probate fees and succession duties greater than the price he originally paid for the property. There is no reason why a man who works hard all his life should then find he cannot pass on his assets to his heirs. It is a much debated point whether income tax destroys incentive, but actually income tax is a mild form of tax compared with succession duties and is based on an entirely different principle. Succession duties have a much greater effect than income tax in the destruction of incentive. Any person who makes a will should know what the rate of duty will be on his estate and be reasonably assured that that rate will not be altered from time to time. It is not as if the proceeds from this tax are not rising, for with the changing value of the currency the valuations of the properties on which succession duties must be paid are rising. In his Budget speech the Treasurer pointed out that of the taxes levied in this State this was the one that showed the greatest increase and indicated that in 1951-52 proceeds from it had increased by £85,000.

In many cases property must be sold on the death of the owner in order to pay the succession duties. This is tantamount to a forced sale, for in nearly every case the property must be sold at once. Suppose an executor had had to sell a property in the early part of this year after the Commonwealth had imposed credit restrictions. Although land values did not drop much at that time little money was available for the purchase of land and the market went dead. The result, therefore would have been disastrous if an executor had been forced to sell at that time, but the market has picked up since.

Mr. Macgillivray—War bonds which are now down to £80 might have to be sold at present in similar circumstances.

Mr. BROOKMAN—Yes. Many people will benefit under this Bill, but that only illustrates the fact that someone else will suffer because of it. Two alternatives to this measure have been suggested: that the Government spend less money or find more in other forms of taxation. Many other avenues of taxation are available to the Treasurer. The rates there could be increased far more justly than in this case. If anything of value has come out of this debate it is the prominence that has been given to the Grants Commission, and the effect of that Commission's work has been realized; but on this occasion it has been given more prominence than previously and members have been told of what is happening in the field of Commonwealth and State financial relationships. I hope the anomalies in those relationships will soon be removed, and that this unsatisfactory Bill will not be passed.

Mr. McLACHLAN (Victoria)—In supporting this legislation I do not want to give a silent vote, for I feel that I am speaking and voting in opposition to some of my constituents and friends who firmly believe that this legislation is not in keeping with Liberalism; but I contend that their views are to some extent dictated by their personal feelings and finances. I can speak openly on this Bill for I am one who will suffer a great deal by it, as Providence has been rather kind to me and there is no doubt this legislation will cost my family much money; but there are times when we have to put our state and our principles before our personal feelings. I have been interested in this debate for it is still fresh in my memory that legislation which I thought very undemocratic was introduced in this House, and I am convinced that time has proved that I was right inasmuch as had it been put into operation it would have cost many of my constituents some tens of thousands of pounds in view of the inflationary period through which we have passed. My friends who today oppose this measure wholeheartedly supported that Bill.

Mr. Dunks—Not all of them.

Mr. McLACHLAN—No, but some of them, which all goes to prove the truth of the old saying that when things are different they are not quite the same. This Bill is another indication of the sincerity of the Playford Administration and the genuineness of many of its supporters. I was thrilled to hear Mr. Hawker's remarks. Eight or nine days ago in

this place he defended the integrity of some of his ancestors who were pioneers in this State. Due to this pioneering and vision the family he represents is now wealthy. He supports this Bill, yet it will probably cost his family thousands of pounds. This is another indication of the fact that we are in this place in the interests of the State. In my pocket I have two letters from a man. I received the first three months ago and it referred to the state of the lavatories at the public school in his town. He said the position was a disgrace to the Government and that it should be remedied regardless of expense. Yesterday I had a letter from him asking me to do everything I could to defeat this Bill. How can we do these things unless we increase our revenue?

Many years have passed since we were at school, but we all despised the boy who had an apple in his pocket yet asked for another at the school picnic. When we criticize the Commonwealth Grants Commission for the attitude it has adopted it is almost the same thing. How can the Premier ask for money from the Commonwealth and at the same time make himself a good fellow by telling people in this State that the Government will not tax them with succession duties to the same extent as other States? We talk much about democracy. Who benefits most from democracy—the worker or the man with an estate valued at £20,000 or £30,000? What is the good of a large estate if democracy fails? We are living in times of changing conditions and we must change our ideas. Mr. Brookman said one of his constituents told him that if he died his son would have to pay more in probate than he paid for his farm. Three months ago I put up a shearing shed and it cost me more than I paid for my farm 11 years ago. We read many letters in the press about succession duties and much prominence has been given to a leader in to-day's *Advertiser*. I smiled when I read that Russia and China acquired the land of a person who died and it was suggested that the same thing might eventually happen here. Legislation of this type will prevent it from happening. We must preserve our democracy. In a democracy our people are provided with amenities. Mr. Pattinson said that I would not be making a contribution to the State in the way of succession duties for many years, but the time will come. I do not begrudge the money my estate will have to pay, because there would be no incentive for me to try to accumulate more if my family did not live in a democracy. This legislation will do much to preserve our

democracy. I commend the Premier for introducing the Bill because it is vital to the State, and I hope he will not be dismayed by the adverse criticism he has received from some of his supporters.

Mr. MICHAEL (Light)—I have given much consideration to this matter and have decided to support the Bill. It has been said that other avenues of taxation are available, but I question whether any other would have less anomalies associated with it than this one. There will be difficulties for some people in any form of taxation. Succession duties represent a form as equitable as any. This afternoon I made some calculations in regard to succession duties. Take the case of a man with an estate valued at £14,000, which he left to a wife and four children under 21. If it were divided equally amongst them, there would be no need to pay any succession duties. Take an estate valued at £9,900 to be equally divided between the widow and two adult children. On the share received by the widow £62 10s. would have to be paid, and each of the children would have to pay £180. This totals £422 10s. Under the old rate each would pay £214 10s., making a total of £643 10s. This shows that a worthy section of the community will benefit under the Bill. The successful business man will make provision for the payment of succession duties on his estate. The Bill, in the majority of cases, will not cause any undue hardship, and I support it.

Mr. HEASLIP (Rocky River)—I have heard many members debate this Bill and some have protested against it. I do not like it any more than some other members, but we must face realities. We must get extra revenue from somewhere, and by getting it from increased succession duties a fewer number of people will be affected. It has been said that more revenue could be obtained by increasing income tax, but it is not so long since it was increased and there was a big outcry. Mr. Stott, who opposes this Bill, was one of the leaders in that outcry. He said the increase would take away the incentive to produce. Increases in income tax will have that effect, but increases in succession duties will not take away incentive. It has been said that an increase in the duties may not enable a man to provide for his wife and family. I do not accept that because there are ways of avoiding paying succession duties. A man can insure against probate.

Mr. Stott—What if he does not qualify on account of health?

Mr. HEASLIP—He would be unlucky. A man with children to provide for can avoid paying succession duties by paying the three per cent duty and making a gift to them.

Mr. Shannon—Insurance premiums will go up if this Bill is passed.

Mr. HEASLIP—I do not doubt that, but it is relatively easy to insure against probate. I cannot agree with members who support Commonwealth grants. The system brings about inefficiency, slackness and waste. Under it the more we receive the more we spend. If a man is prudent he is penalized for being efficient. I do not agree with the principle of it, and I hope that in the future something will be done to put it on a different footing so that efficiency will be rewarded and inefficiency penalized. The Leader of the Opposition mentioned some increases in taxation as being necessary.

Mr. O'Halloran—Are you sure you are quoting me correctly?

Mr. HEASLIP—I think I am. I noted them down when you mentioned them.

Mr. O'Halloran—Didn't I mention the circumstances you are referring to concerning the Grants Commission?

Mr. HEASLIP—If I am wrong I am sorry. I wonder where we are drifting under our social services? I fear for the future. It seems to me that the man who spends all his money in pleasure and luxury is just as well off as one who works and saves. Under our present system the second man is a fool. This state of affairs will probably hasten the time when we will be in trouble through our social services. Under our present system the man who saves is keeping the man who does not and the efficient man is keeping the inefficient. Through measures such as this we shall arrive at the time when no one will be in a position to save and all will be on the receiving end. When that time comes I want to know where we will get the finance—either from orthodox or unorthodox finance. Great as I regret the necessity of the Bill, and much as I am fearful where it is leading, realizing the position as it is today, I have to support it.

Mr. PATTINSON (Glenelg)—It gives me no pleasure to support this Bill, but I feel bound, because of economic necessities, to do so. I feel there has been some confusion of thought or expression in the debate. Several of the speakers, if I understand their arguments correctly, were speaking in opposition to the principle of succession or estate duties and most of their vehement comments were against "the

robbing of the dead," and they used various other expressions. They seemed rather irrelevant, because if any member feels impelled by those motives he should not only oppose the second reading but move an amendment to repeal the Succession Duties Act. Some honourable members gave the impression that this is some entirely new taxation, and that it is novel in Australia and in other parts of the world, whereas any reasonably well-informed person knows that death duties have been in existence in nearly every civilized country for many centuries, and in most countries they are on a much severer scale than in Australia. Succession duties have been the law of every Australian State and also of the Commonwealth itself for many years. During the debate there has also been an over-emphasis on the eastern States. Several usually well-informed members, including several leading members on this side, seemed to advocate that we should not be following what some socialistic Government in New South Wales is doing in regard to the severity of this tax. I think that is a misconception; possibly the Treasurer led some members into believing that when they read the report of his second reading speech, the first paragraph of which said:—

The Government is advised that the present South Australian duties are considerably less severe in their incidence than those of the eastern States.

That is literally correct, but goes only half way. I would go further and say that we are below the average standard rate of Australia, and I think that is more important.

The Hon. T. Playford—And the western State, too.

Mr. PATTINSON—This has been a vital matter for South Australia since 1943, but I will take the position for the last five years. In 1946-47 we had an unfavourable adjustment in relation to death duties and were minus 16 per thousand, Western Australia was minus 12, and Tasmania minus 3; in 1947-48 we were minus 18, Western Australia 10, and Tasmania 3.5; in 1948-49 we were minus 19, Western Australia 8, and Tasmania plus 4; in 1949-50 we were minus 15, Western Australia 14, and Tasmania plus 3; in 1950-51 we were minus 17, Western Australia 10, and Tasmania 2. South Australia is well below the Australian average, and for the whole of those five years we were the lowest in Australia. That seems to have come somewhat as a bombshell to some members of the House and to a large number of residents of the State, if we are to judge by the large number of letters appearing in the

press. If it has come as any surprise to the citizens it is due in no way to a lack of publicity given to this matter by the Treasurer, because I remember as long ago as May 23, 1950, I introduced to him a large and influential deputation from leading citizens who wanted to discuss one aspect of this very matter. The deputation included Sir Lavington Bonython, the President of Minda Homie Incorporated; Mr. A. C. Rymill, the Lord Mayor of Adelaide, who represented the Adelaide Children's Hospital, and Mr. J. Neil McEwin. The deputation discussed the aspect of succession duties dealing with the exemption of charitable bodies, or a reduction in the rates applicable to such bodies. The Treasurer read out from the then last report of the Grants Commission that section dealing with our unfavourable balance in regard to death duties and the amount by which our grant was reduced because of the low rate.

His remarks were published in the *Advertiser* of Wednesday, May 24, 1950. The report mentioned the purpose of the deputation, and that Mr. Playford explained that the rates of succession duties as calculated by the Commonwealth Grants Commission were much lower than the average of the Australian States, and as a result the South Australian grant was reduced by £100,000. He believed that the question could best be dealt with by examining the grants required from the Government by the various institutions rather than by altering the succession duties law. During the discussion the Premier explained to a very prominent citizen that this matter was a constant sore with the Commonwealth Grants Commission, and had been so over a period of years, and that he was struggling, as Treasurer, to retain succession duties at their then present low scale for as long as possible. He had no desire to increase the rates in this State, but he did not know for how long he could carry on before he would be obliged, indirectly at any rate, to do so. We held discussions before and after this discussion with the Premier, and I think everyone was satisfied from the Treasurer's explanation, that far from being able to grant any reduction it would be fortunate if he could long refrain from increasing the rates. It can be seen therefore, that there is nothing new in the necessity to increase succession duties, and this legislation should not have come as a surprise to any well-informed resident of this State. There has not been any sudden, last-minute move to increase the rates. I think we

should place on record some remarks from the 1952 report of the Commonwealth Grants Commission. Under the heading "Estate Duties" the Commission stated:—

In New South Wales, Western Australia, and Tasmania, estate duty is assessed upon a progressive scale rising with the total dutiable value of the estate: different scales apply for property passing to beneficiaries within certain classes of kinship. The same conditions exist in Victoria, except that the duty in respect of shares passing to widow and lineal issue is governed by the value of those shares as distinct from the value of the whole estate. The latter, however, governs the rate of duty payable on the remainder of the estate. In Queensland, in addition to a low flat rate of duty upon the total estate, duty is payable on the successions received from the estate. The rate of duty payable on each succession, however, is governed by the total value of the estate of which it forms part. In South Australia, the duty is not assessed according to the value of the estate, but according to the separate value of each succession. The revenue produced by an estate, therefore, is entirely governed by the number of successors and the degree of their kinship to the deceased. Among the States there are many differences in details as to exemptions, differential rates according to kinship, and bequests to charitable institutions.

Information has been obtained as to the number, value and manner of distribution of estates dutiable in South Australia, Western Australia, and Tasmania. By applying to these estates a standard schedule of rates, based upon those levied in the non-claimant States, a standard of duty assessable has been reduced. The ratio between this standard duty and the duty actually assessable by a claimant State, when related to the revenue collected by that State from duty on property during the year 1950-51, provides the adjustment required. In the case of South Australia, the assessment of contingent interests at the highest rate, with the consequent need of refunds, is taken into account.

In South Australia the duty payable on successions arising from estates exceeding £10,000 in value amounted to about 66 per cent of total revenue in 1950-51. In this field, State revenues are markedly influenced by the number of beneficiaries participating in the distribution of each estate, and by the share going to each. This fact is the chief reason for the unfavourable adjustment of £204,000. Western Australia received 76 per cent of its total estate duties from estates exceeding £10,000 in value, and 87 per cent from estates exceeding £6,000 in value. The chief reason for the unfavourable adjustment of £51,000 for Western Australia is that comparatively low rates are levied upon estates of less than £6,000 in value passing to the widow, widower, parent, or issue of the deceased, and upon estates or parts thereof passing to other relatives or to strangers in blood. In Tasmania, for 1950-51, the calculations result in an unfavourable adjustment of £5,000 as compared with a favourable adjustment of £3,000 in 1949-50.

The chief reason for this change is that comparatively low rates of duty are levied in Tasmania upon estates of high value. For 1950-51 estates of more than £25,000 accounted for 26 per cent of the total value of estates as compared with 16 per cent of the total value of estates in 1949-50.

The point I am making is that in the last financial year the unfavourable adjustment against South Australia was £204,000, whereas the unfavourable adjustment against Western Australia was only £51,000, and against Tasmania only £5,000, so it is of not much use members harping on a comparison with some socialistic Labor Government in New South Wales, because the Commission's report proves conclusively that death duties in South Australia are much below those of other States. Other members made some sort of an attack on the Commonwealth Grants Commission and our lack of sovereignty, but I am sure no member regrets our lack of sovereignty more than I do. I have referred to it time and time again, and some members strongly disagreed with me when I said that in my opinion we were no longer a sovereign State but were financially bound to the chariot wheels of the Commonwealth. However, it seems to me to be an inappropriate time to be raising that issue on a relatively minor Bill to increase rates of succession duties.

Mr. Macgillivray—Only Government supporters have raised that point.

Mr. PATTINSON—And the honourable member himself.

Mr. Macgillivray—No.

Mr. PATTINSON—Then it is the first time that he has not mentioned it when speaking in this Chamber. During 30 years as a solicitor I have administered hundreds of deceased estates. I selected, largely at random, the files of a considerable number that had been assessed by the State Succession Duties Department. I worked out the amounts of duty that would be payable under this Bill and compared them with the amounts that would be levied in other States under estate duty. I made my calculations with great care and found that our charges would be much lower than in New South Wales. One large estate, of a net value of about £52,000, was divided between two daughters and two brothers, but those four beneficiaries would only pay duty on the amount of their share of that £52,000. In New South Wales, on the other hand, the duties would be levied on the estate at the rate on £52,000. Of course, the beneficiaries would only pay on their share, but the rate of duty

is based on the net value of the whole estate. The duties in New South Wales, under its 1950 Act, would be much higher than those prescribed by the Bill. I think many people have become unnecessarily alarmed by the considerable publicity which has been given to this Bill. They believe that their beneficiaries will be obliged to pay some fantastically high sum. My long experience shows that almost invariably the trustees and beneficiaries are agreeably surprised at the relatively low charges, because unless the estate is a very large one the sum is usually relatively small. I do not think there will be any great increases in succession duties under this Bill.

The member for Onkaparinga said that if we increase the rates people will dispose of their assets by way of gift during their lifetime or through other means so that the succession duties will be lower. He followed that up by saying that the Treasurer would not derive any increased revenue from this legislation, and that there may even be a reduction in succession duties received. He also said that the unfavourable adjustment mentioned in the Grants Commission's report would become even greater, but I do not agree that this State will receive an unfavourable adjustment from the Grants Commission if through fortuitous or unfortunate circumstances it does not receive the same quantum of succession duties as in the previous year so long as it does its best and retains the relative severity of its rates in comparison with the average rates. There was reluctance on the part of the Treasurer and other members who supported the Bill, but this Parliament has no alternative if it feels, as I feel, obliged to maintain the economic stability of this State.

Mr. MOIR (Norwood)—I shall deal with the Bill briefly, as the Treasurer wishes to deal with it in detail in Committee, where amendments may be introduced and where, after listening to some members, he may desire to repeal the Act altogether. I consider the exemption of £2,800 is too low, for where a widow is left £5,000 but still has to rear two or three children under 16 years of age she should not have to pay succession duties on the amount in excess of £2,800. The deduction of the resultant succession duty will not give her the opportunity her husband would desire her to have. In most cases a man leaves his estate to his wife with the proviso that if she dies first it shall be divided between the children on his death. I am not happy about the

provision requiring the payment of succession duties by charitable institutions receiving bequests. Often amounts are left to such worthy institutions as the Salvation Army and Church of England homes, but of a bequest of £2,000 only £1,700 may be passed on, and the institution could well use the other £300. I consider it good policy for a man to dispose of his estate before his death, and, considering the recent flow of easy money, children should be taught how to spend it so that they will have a good security for themselves which later they may pass on to their children. It has been taken for granted that because the exemption has been fixed at £2,800 most estates will not be subject to succession duties, but this may not be correct. The rate on estates worth more than £20,000 is a little excessive, and I hope that in Committee the Treasurer will agree to amend it. I support the second reading in the hope that the Premier will either accept amendments or repeal the Act.

Mr. WHITTLE (Prospect)—Together with other members I appreciate the informative survey of the subject given by the member for Glenelg. I support the Bill. I have received many communications from people both within and outside my electorate telling me that they cannot imagine my supporting it, but I am convinced that 90 per cent of the people outside this House do not know what is in it and have been carried away by newspaper talk and letters from uninformed people. The Treasurer approached the matter in a fair-minded way. I consider the exemption of £2,800 is generous and, as the present exemption of £500 was fixed at some time before 1936, the increase is justified. I do not suggest that the Bill was brought forward with this idea solely in mind, but the views of the Grants Commission in relation to the various taxation resources of this State had to be considered. Today the member for Onkaparinga who was heard to worse advantage than ever before since I have been a member said that the sooner we rid ourselves of the arrangement whereby Commonwealth grants are made to this State the better off we would be, but it must be realized that this year we received over £4,500,000 in Commonwealth grants, so we would have been considerably worse off if we had not received that sum. I understand that the amount received in succession duties last year was £1,081,000, and the Treasurer estimates that under the Bill this amount will be increased by £250,000 in a full year; therefore the percentage increase is not so tremen-

dous as some people would imagine from the remarks concerning the severity of this legislation.

I am interested in certain charitable institutions, and it is very gratifying for them to receive bequests from estates. The Treasurer showed me a table showing that on £500 left to charities the same tax will be paid under this Bill as is payable at present. It is only when the amount exceeds £500 that it gradually increases over the amount payable at present. It would be a good policy if people generally were to follow the example set by a Mr. Richman who lived in Prospect years ago and built the cottage homes at Prospect. He said, "I will give my money away so as to see the effects of my charitable bequests." Today that policy would save income tax as well as succession duty. I am sorry that some people will be adversely affected by the Bill, particularly those with large estates, but they are affected now, and that is the reason for the insurance schemes which operate today to provide money for the payment of probate and succession duties on the winding up of an estate. It will be necessary in future only to make a larger cover by way of insurance so that the estate duty may be met on big estates of £100,000 or more. I support the Bill, particularly in relation to the increased exemption, for it will be of great service to those people who have saved during their lifetime and have bought homes, in some instances under the joint ownership of husband and wife, which are therefore not subject to succession duties in the event of one of them dying.

Mr. QUIRKE (Stanley)—I oppose the Bill, but not because of the increase in succession duties, for I have made some calculations and found that the proposed increases will not prove burdensome to many estates. I am sorry that the Premier should be forced into introducing this type of legislation. I inferred from his speech that if he did not introduce it the State would get a reduced Commonwealth grant. Notwithstanding that, I will not vote for the Bill because I am opposed to this type of taxation, which represents a capital levy. The principle is wrong, notwithstanding that it was in operation hundreds of years ago. Even if it were necessary in those days, in these enlightened days it should not apply. It was amusing to hear the remarks of members opposite, because to them the principle in the Bill must be anathema. With one or two exceptions they favour the Bill, but their speeches reminded me of the man who walked

through a cemetery at night whistling to keep his courage up. Their excuses were many and varied. Mr. Heaslip said it was possible to insure against probate. It is, but I remind him that a number of massive structures in our capital cities are the result of the forfeiture of many insurance policies. In the depression days millions of pounds worth of insurance was forfeited. Some companies were notable exceptions, but others grew fat on these forfeited policies. Insurance is a dangerous expedient on which to rely, and it is not a guaranteed way to offset probate.

Democracy was mentioned by some speakers, but we cannot build democracy by endangering it. It can only be built up by adding to the foundations. This is not democratic legislation. This type of measure is used the world over to smash democracy. In a country where democracy is enemy No. 1 the first thing done is to break down the succession of families. Lloyd George was a great exponent of it, and he broke many great families in England. During World War I. soldiers in England were given a list of the places where they could spend their leave. I chose a place where succession duty had been paid following the death of five sons, which dealt a great blow to the family, notwithstanding that it had rendered a great service to the country over the years. A special Act of Parliament was passed to relieve the youngest son of his service obligation. That is an extreme case. My ideas of financing a country are well known, and they have brought forth facetious interjections from members on the other side. I would sooner take the journal of the Commonwealth Bank as my authority. This type of legislation is unnecessary, and the antiquity of the principle does not make it right. Benevolent institutions have been mentioned. There are instances where some of them are not eligible for Government grants. Recently one was mentioned in this place. When money is left to it, the Government takes some, but says it is not eligible for a Government grant. That should not be the position.

Reference has been made to the financial agreement, which was an extraordinary piece of legislation. It destroyed the sovereignty of every State. They all became mendicant States. Each has a Parliamentary system and a Treasurer, but lack the financial sinews necessary to maintain sovereignty. The agreement was deliberately framed to do that, and the people fell for it. It was agreed to by referendum, and it made me for ever suspicious of interfering with the constitutional powers of the

States. I think the legislation was passed in this place with few speeches being made on it. There was a definite promise that the debts of the States would be paid off, but the result has been a monumental increase in Commonwealth and State debts. Today South Australia is reduced to a state of mendicancy and of having to accept an expedient to raise money. I do not agree that £240,000 represents the difference between the success or collapse of our community. The Bill is not necessary. I admired the frankness of Mr. Pearson who said he was compelled to agree with this legislation. I do not want to place a wrong construction on that statement, but placing the widest interpretation on it, I think he meant he was compelled to agree because he saw the need for the Bill. Is that the position?

Mr. Pearson—Yes.

Mr. QUIRKE—That means that the honourable member will vote for something he considers bad.

Mr. Pearson—You have not yet outlined any alternative.

Mr. QUIRKE—The honourable member knows my alternative. I have stated my views repeatedly, but have never heard the member for Flinders or any member opposite try to show me where I am wrong. I do not think they have taken five minutes off to study my remarks to see if I was wrong on even one point. Far better men than they have endeavoured to prove my opinions to be wrong, but all have conspicuously failed. If we are to build our national life on the necessity for legislation such as this we will assuredly fail. Clause 10 amends section 51 of the Act. The administrator of an estate must file a complete list of valuations within three months, otherwise interest will be charged until the duties are paid. Usually a calculation of the probable amount to be paid is made and a tentative sum is paid to avoid the payment of interest. The interest rate is 6 per cent, a shocking impost.

Mr. Dunks—But this Bill alters that.

Mr. QUIRKE—Yes, the period is changed to six months. Further, the proviso to subsection (1) is amended to read:—

Provided that the Commissioner may, in any case where reasonable cause exists for doing so, postpone for such period as he thinks fit, the date from which interest shall be charged. I agree with this amendment, for it was badly needed. Recently I had experience in handling a large estate, and in order to expedite matters a tentative payment of duties was

made, but it was necessary to sacrifice some Commonwealth securities maturing in 1963 or 1964. This involved the estate in a loss of £500, but such a loss should not be allowed to occur. I want it clearly understood that I am not opposing an increase in succession duties as such because the increases will not hurt anyone much—in fact the beneficiaries of small estates will benefit by this legislation—but I oppose the principle of the Bill entirely.

The Hon. T. PLAYFORD (Premier and Treasurer)—This Bill is not surrounded with the mystery that some members try to associate with it; it is simply a matter of plain economics. Recently the House debated the Budget for three weeks. The lines on the Estimates have never been debated more fully than they were this year. Nearly all members spoke on the Budget, but there was almost complete unanimity that not enough money was being spent. However, not one member showed how any savings could be made. Many referred to items that, in their opinion, should have received more favourable consideration, while others asked for other lines to be included in the Budget next year. My political education was increased enormously by many members showing a great variety of ways in which we could spend public money, but we cannot vote money unless we take the necessary steps to raise it.

Comparing our Budget with those of other States, I believe that the Government has gone to the limit in curtailing expenditure without impairing our essential services. One member assumed that the only thing taken account of by the Grants Commission was the amount of money that we spend or ask for, but the Commission closely investigates all matters touching the economic position of this State and others. It does not matter what our views on our sovereignty may be, the fact is that the Commonwealth Government will not tax the people in other States to finance services here unless it is satisfied that we ourselves are carrying out our part of the contract by doing a reasonable thing. We must not overlook the fact that the money the Grants Commission is providing to South Australia is raised by taxing other people. We talk about our sovereignty in glib terms, but we are dependent on the Commission for very large sums every year. During the last three years our grants have been £4,100,000, £5,300,000, and £4,500,000. In other words, taxation derived from the people of other States has been diverted into South Australia.

How long will those people agree to such a system if they are not satisfied that we are doing a reasonable thing ourselves? How long would we agree to be taxed for the benefit of the people of New South Wales if they did not pay an equivalent taxation? What right have we to ask that the people of Queensland, New South Wales and Victoria shall be subject to high taxation to relieve us from paying as much in other ways as they themselves are paying? Further, I have been accused in the daily press of bribery in connection with bringing this legislation down, but the facts are that the revenue of this State must pay for our expenditure.

I explained at some length why it was necessary for us to balance our budget this year, and that we could not allow any deficit to occur because we were already in great difficulties as far as Loans were concerned and if we had to finance any deficit in the Budget out of Loan moneys we would immediately have to dismiss many men, whereas I believe it is essential to maintain our standard of employment here. It is all very well to talk about Liberal principles being involved in this matter, but the Liberal principle I stand for is that to the utmost of my ability men shall be able to get a job and earn an honest living. I have now in my bag a further financial measure to be presented to Parliament this session because of the grave difficulties facing us, not only in connection with our cash position, but with our Loan account. If we desire to avoid a repetition of what has happened in other States where large numbers have been set adrift on a labour market that cannot at present absorb them, we must husband our resources in every way possible. We have cut the services of the State down to a minimum. In the last Commonwealth Grants Commission's report we got a favourable adjustment, on account of economies effected of no less than £600,000.

Mr. Geoffrey Clarke—The cost of social services was less per head.

The Hon. T. PLAYFORD—Yes, it was less than the average in other States and consequently this State received a favourable adjustment; but costs of government, particularly hospital expenses, are rising rapidly and a favourable adjustment on a budget of two years ago does not meet the position today, therefore I felt constrained to request Parliament to approve three increases in taxation. The Land Tax Act Amendment Bill provided for a moderate increase and was accepted by this House. A small amount—about £40,000—is involved in the Stamp Duty Act Amendment

Bill now before the House with regard to stamp duty on cheques. It is estimated that the amount which will be involved this year in the passing of this Bill will be about £70,000, a very small sum when it is considered that the Commonwealth will collect £58,000,000 in income tax alone in this State this year. All the bad principles of which we have heard so much this evening will possibly involve us in additional revenue of only £70,000 this year.

The Bill is not without amelioration in other directions. One or two other members, notably the Deputy Leader of the Opposition, have raised the question of the amount of exemption provided to widows, and I had that question examined and found there was considerable support for the suggestion that that exemption which was passed by this House many years ago should be increased.

Mr. Frank Walsh—On account of the present system of assessment.

The Hon. T. PLAYFORD—Yes; consequently the Government went into that matter and made an adjustment. This exemption applies not only to estates of a value of less than £2,800 but to every estate which is left to a widow or children under 21 years of age by the husband or father. It represents a substantial reduction in the amount paid by that needy section. The following figures will give some idea of the value of this concession to the beneficiaries. Where property to the value of £10,000 has been left to a widow and four children under 21 years of age, each receives £2,000. Under the existing legislation they would pay £150 succession duty, but under the Bill they pay none. Where property to the value of £20,000 is left to a widow and four children under 21 years of age, each receiving £4,000, under the existing legislation, they must each pay £200 succession duty or a total of £1,000, whereas under the Bill they will each pay £150 or a total of £750, which represents a reduction of 25 per cent. That rate applies to the hardworking people who save £20,000 and I point out that it takes a good deal of thrift and hard work to not only support a family but accumulate property to that value.

Mr. O'Halloran—It is considerably more than the average estate.

The Hon. T. PLAYFORD—Yes. In other States estate duty is charged, whereas succession duty is charged in South Australia. In the case of the estate valued at £20,000 left to the widow and four children, the succession duty on each share would be assessed on £4,000, but in other States the total estate duty would

be assessed on £20,000. At present the rate payable by a widow on succession to an estate worth £5,000 is 6½ per cent, whereas under the Bill the rate is 5½ per cent, but over that amount the excess of the new over the existing rate increases gradually until at £10,000 the new rate is about 2 per cent higher than the present rate. However, on £200,000 it is the same; yet we are told this iniquitous legislation will seriously affect the widow. At the present rate on an amount of £20,000 a widow pays about 11 per cent, but under the Bill she will pay about 12 per cent—an increase of about 1 per cent. On an estate valued at £20,000 the succession duty payable by a widow is increased from £2,200 to £2,525 under the Bill. With regard to collateral legatees, on £8,000 under the existing legislation succession duty is £880 and under the Bill £1,175, and on £12,000 it is £1,500 at present and under the Bill £1,925. South Australia has its own peculiar system which I believe is much more equitable than any operating in the other States.

Mr. Pattinson—A widow and four children sharing an estate of £20,000 would pay nothing in South Australia, but £1,650 in New South Wales.

The Hon. T. PLAYFORD—The Grants Commission does not force South Australia to raise taxation, but says: "If you do not tax yourself up to the standard of the other States, do not come to us to make it up."

Mr. Pearson—The effect is the same.

The Hon. T. PLAYFORD—No, for section 96 of the Commonwealth Constitution under which the grants are made is a concession to the States.

Mr. Pattinson—An alternative is to reduce our standard of living.

The Hon. T. PLAYFORD—The alternative is to cut down social services such as education and hospitals or to impose increased taxes on the community. Mr. Shannon suggested that we might increase the entertainment tax, but I did not hear much applause from opponents of this Bill. All I heard seemed to be moans. Our receipt of the tax reimbursement amount is contingent upon our not entering the entertainment tax field, so we could not adopt Mr. Shannon's suggestion. Some members have said that the proposal in the Bill is a capital levy, and is iniquitous. Much of the objection to the Bill has come directly from people associated with executor companies. Mr. Shannon said he was associated with one and had a knowledge of

probate business. He put his case before the House in clear terms. Executor companies are not opposed to capital levies, because in a public advertisement some executor companies gave notice that on and after a certain date a new scale of charges would apply. It was said that on the gross capital value of an estate committed to the administration and management of the company a charge of 3½ per cent would be made on the first £25,000, three per cent on the next £25,000, two per cent on the next £50,000, and one per cent on any amount in excess of £100,000. This was a charge on gross values, which is different from succession duties because they are a charge on net values.

Mr. O'Halloran—That is not the only charge by the companies.

The Hon. T. PLAYFORD—No. All the charges were set out in the advertisement. On incomes there was a charge of five per cent up to £1,000 per annum, four per cent between £1,000 and £3,000, and 2½ per cent in excess of £3,000.

Mr. Quirke—There is no connection between the two things. They are administrative charges.

The Hon. T. PLAYFORD—Are we not collecting money to pay for administrative charges? The money collected will help to pay for the maintenance of our police force, hospitals, schools and even this Parliamentary institution.

Mr. Dunks—Cut down the charges.

The Hon. T. PLAYFORD—For three weeks we discussed the Budget, but there was no suggestion to cut down expenditure. The question is whether the State can afford to lose £240,000 this year. If we do not pass the Bill there will be an unfavourable adjustment in the Commonwealth grant of about £240,000, so far as we can assess it. In the last 10 years, including this year, the grant has been affected adversely to the extent of £1,365,000. Mr. Pattinson quoted extensively from reports by the Commonwealth Grants Commission. I do not propose to traverse the ground again, except to set out the following extract from one of the reports about the relative severity of State taxation:—

The commission has decided to continue the method of determining relative severity of State taxation which it has used since the 11th report. Briefly, the method is to compare the revenue collected by each claimant State from each source of taxation with the revenue it would have collected by imposing rates of a standard severity.

I was criticized for using the word "severity," but it has been used ever since the Grants Commission has operated. Every textbook on taxation uses the word. The report goes on:—

These standard rates are derived mainly from the average of the rates levied for similar taxes in the non-claimant States. The commission's treatment of each of the non-income taxes levied by the States in the financial year 1950-51 is explained in the observations and calculations which follow.

The matter is set out fairly and fully. The commission will deduct from our grant any amount not collected up to the average of the non-claimant States. It will add to our grant any amount collected over the average. If we do not raise the duties we will have to cut out some of the items included in the Budget. I have heard no suggestion of our having too many items. We could finance the deficit from the loan account, but if we do that we will have to stop some of our urgent works, such as the provision of water supplies, electricity, schools and hospitals. It is undesirable to curtail these works or to dismiss men. It is not satisfactory to any Treasurer to have to introduce taxation legislation, but the Government must provide proper services and develop the State. I would prefer not to be associated with this institution if we could not carry out our responsibilities in an adequate and proper manner. I ask members to support the Bill.

The House divided on the second reading:—

Ayes (27).—Messrs. Christian, John Clark, Geoffrey Clarke, Dunnage, Goldney, Heaslip, Hineks, Hutchens, Jeffries, Sir George Jenkins, Messrs. William Jenkins, McAlees, McIntosh, McLachlan, Michael, Moir, O'Halloran, Pattinson, Pearson, Playford (teller), Riches, Stephens, Tapping, Teusner, Frank Walsh, Fred Walsh, and Whittle.

Noes (5).—Messrs. Brookman, Fletcher, Macgillivray, Quirke, and Stott (Teller).

Majority of 22 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 to 9 passed.

Clause 10—"Interest on duty."

Mr. QUIRKE—At present the interest rate is 6 per cent, but section 51 of the principal Act provides that the Treasurer may vary the rate. What is his intention in this regard?

The Hon. T. PLAYFORD (Premier and Treasurer)—If we fixed the rate at 4 per cent there would be no inducement to terminate the matter and pay the succession duty; so it is necessary for the rate to be slightly above the

normal rate. I am very apprehensive about interest rates. It is one of the matters which could give us the gravest concern in the present Australian economic position. If the competition which has forced interest rates up is continued it will have a detrimental effect upon the development of this country.

Clause passed.

Clause 11 passed.

Clause 12—"Repeal of second and third schedules of principal Act and enactment of another schedule."

Mr. STOTT—Mr. Pattinson mentioned the amount of duty payable in the other States, but because another State increases its succession duties or any other taxation, if we listen to the Treasurer, we have to follow that lead. New South Wales increased its rail freights by 166 per cent in the last 12 months, but are we to do likewise? The Treasurer would have been well advised to wait until full taxation powers had been allotted to the State. He could then have financed the deficit from bank credit, as has been done by all the States.

Mr. O'Halloran—What particular bank would have granted the credit?

Mr. STOTT—It could be financed through the Central Bank by the issue of Treasury bills. If bonds have been taken out in good faith to meet succession duties and they are worth, say, £87 10s., and the person dies, the Treasurer should be prepared to accept the bond at £100 value. We should view these matters in the interests of the people and accept the maturity value of Commonwealth bonds as payment for succession duties.

Mr. MACGILLIVRAY—I wish to move an amendment to this clause providing that upon certain property no duty shall be payable.

The CHAIRMAN—The Leader of the Opposition also has an amendment concerning the same subject matter. Under Standing Orders the amendment proposing the smaller amount must be put first, but the point is whether no duty at all is a smaller amount than 10 per cent. If it is, then what I intend to do will be correct. Perhaps the Leader of the Opposition could move his amendment to Mr. Macgillivray's amendment.

Mr. O'HALLORAN—If Mr. Macgillivray's amendment is defeated mine will be in order as drafted, and if his amendment is carried I will not move mine.

The CHAIRMAN—Then I call on the member for Chaffey.

Mr. MACGILLIVRAY—I move to add the following paragraph at the end of clause 12—

5. No duty shall be payable under this Act upon any property devised, bequeathed, or passing under any non-testamentary disposition for religious or public scientific or public educational purposes in the State or to a public hospital or public benevolent institution or public benevolent society in the State.

The argument has been advanced that because New South Wales and other eastern States are less generous towards their charitable institutions we should not pass my amendment, but that is a negative approach. The time was when South Australia led all the other States with its advanced legislation, for instance, women's suffrage and the now worldwide Torrens system of land title. We should voice our opinions on this matter. The State would lose very little by accepting the amendment. Many letters have been written to the newspapers on this point, one from a minister of religion who for many years carried on a fine charitable work in Adelaide. He said his job had been made much harder because of succession duties on bequests to his institution. The amendment would help those who need help most.

The Hon. T. PLAYFORD—Many statements have been made about bequests to charities in other States. Further, there has been much correspondence in the press about those charities being exempt from the payment of duties, but I have had the position examined closely. When the Grants Commission considers the grants to the claimant States the determining factor is not the amount collected by the States, but the rates applicable. It may consider a hypothetical estate and see what charges would be levied in the various States. One of my officers has reported to me that the Commission has been very fair to South Australia in this matter. Many people have said that in other States charitable institutions are exempt from succession duties. In Victoria there is a complete exemption on gifts to 12 charities—a free public library, free public museum, a public institution for the promotion of science and art, a working men's college, a school of mines, a public university, a public hospital, a public benevolent asylum, a public dispensary, a women's refuge, a ladies' benevolent society, and a miners' benevolent fund. Of course, the difficulty in such matters is in the definition. The position is a little different in New South Wales. There are concessional rates for gifts to public hospitals or for the relief of poverty or the promotion of education in that State. The duties on

property passing to a widow or direct issue range from 3 per cent to 27 per cent, and for other relatives they are 2 per cent higher. The rates for charities are from 2 per cent to 25 per cent.

In Queensland a gift to charity can only be made at the expense of the estate. The estate itself pays for the gift because the tax is called a succession duty. The rate is calculated on the aggregation of all property of the deceased after deducting debts. Gifts to any charitable or educational institution in that State or such other public institution as the Governor may determine are exempt, but notwithstanding the exemption the amount of the charitable gift is included in the estate for the purpose of fixing the rates. In Western Australia, the death duties are imposed on the final balance of the whole estate of the deceased person and the rates depend on the total final balance. Exemptions are granted in respect of certain gifts. There again it is an estate duty. Although the charity is exempt, the rate on the estate is still kept up as if the charge were included. In Tasmania the duty is calculated on the aggregate value of the estate after deducting debts. The exemptions are set out in great detail, but again the estate duty is calculated on the aggregate value after deducting debts. There are some exemptions in connection with free libraries, museums, public institutions for the promotion of science and arts, including workmen's colleges, schools of mines, public universities, and so forth, but they are a gift that is made partly at the expense of the estate itself. As a fair compromise I am prepared to accept the suggestion outlined by the Leader of the Opposition, which means that the duties on all the charges outlined in the amendment will be kept at the lowest present level—10 per cent—instead of progressing steeply after about £600. Mr. Macgillivray's suggestion takes the matter a little too far downwards because I cannot find all the exemptions provided in the other States about which we hear so much. I have a lot of sympathy for the case put forward on behalf of charities—

Mr. Macgillivray—You cannot run charities on sympathy.

The Hon. T. PLAYFORD—Grants in the Estimates under the line "Chief Secretary—Miscellaneous" were increased by nearly £1,000,000, and they were all to the type of institution that would benefit under his amendment.

Mr. Whittle—Except that some other institutions would benefit under it.

The Hon. T. PLAYFORD—That is true. However, I ask the Committee to accept what I believe to be a fair compromise, and in the first place to reject the honourable member's amendment so that, perhaps, another may be considered.

Mr. MACGILLIVRAY—I was under no misapprehension. The point I made was based entirely on the argument advanced by Mr. Pattinson on the second reading. He went to some trouble to mention in detail that the Treasurer told a deputation he introduced that the eastern States were very much harder on benevolent institutions than we were, and that that was the reason why the Treasurer did not see fit to give them the deduction asked for.

Mr. Pattinson—He did not say anything of the kind.

Mr. MACGILLIVRAY—He said we were favourably treated in South Australia in comparison with other States.

Mr. O'Halloran—What the honourable member said the Premier said was that that could be adjusted by additional grants.

Mr. MACGILLIVRAY—That is a different thing, but the Treasurer has given the Committee entirely new information now. As he has indicated that he will accept another amendment providing for a maximum of 10 per cent, I will not press mine.

Amendment negatived.

Mr. O'HALLORAN—I move to insert after paragraph 4 the following paragraph:—

5. Upon any property devised, bequeathed, or passing under any non-testamentary disposition, for religious or public scientific or public educational purposes in the State, or to a public hospital or public benevolent institution or public benevolent society in the State, the rate of duty shall be 10 per cent of the net present value of such property.

In my second reading speech I said that bequests of this type should be either completely exempted from succession duty or at least subject to a reduced flat rate, for whether the bequest is a large or a small sum the intention of the donor and the impact on the institution are the same. I supported the amendment of the member for Chaffey because I believed that such bequests should be completely exempt from duty, but I see the point in the Treasurer's argument. I am happy that he has agreed to my suggestion which should provide relief to institutions receiving bequests.

Mr. TEUSNER—I am relieved to hear that the Treasurer will accept the amendment. As South Australians we should feel exceptionally proud of many of our institutions which have

been established as the result of charitable gifts. Many worthy institutions such as the University of Adelaide were established as the result of generous bequests, and numerous religious institutions, colleges and schools had their origin in munificent gifts, both testamentary and otherwise. The rates of duty provided by the Bill on bequests to strangers in blood would under the terms of the Bill apply to charitable institutions, and this application might well dry up many legacies and sources from which bequests emanate. This amendment will no doubt have the effect of stimulating further bequests to worthwhile charitable institutions and I therefore support it.

Amendment carried; clause as amended passed.

Title passed. Bill read a third time and passed.

#### PRIVATE MEMBERS' BUSINESS.

The Hon. T. PLAYFORD (Premier and Treasurer) moved—

That for the remainder of the session Government business take precedence over all other business except questions.

Motion carried.

#### PARLIAMENTARY PAPERS.

The Hon. T. PLAYFORD (Premier and Treasurer) moved—

That it be an order of this House that all papers and other documents ordered by the House during the session, and not returned prior to the prorogation, and such other official reports and returns as are customarily laid before Parliament and printed, be forwarded to the Speaker in print as soon as completed, and if received within two months after such prorogation, that the Clerk of the House cause such papers and documents to be distributed amongst members and bound with the Votes and Proceedings; and as regards those not received within such time, that they be laid upon the table on the first day of next session.

Motion carried.

#### ENFIELD GENERAL CEMETERY (EXCHANGE OF LAND) BILL.

The Hon. M. McINTOSH brought up the report of the Select Committee, together with minutes of proceedings and evidence.

Report received and read, and ordered to be printed.

The Hon. M. McINTOSH moved—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the Bill.

Motion carried.

Bill taken through Committee without amendment and read a third time and passed.

#### STIRLING NORTH TO BRACHINA RAILWAY (LAND AND MATERIALS) BILL.

Received from the Legislative Council and read a first time.

#### PROHIBITED AREAS (APPLICATION OF STATE LAWS) BILL.

Received from the Legislative Council and read a first time.

#### LOANS FOR FENCING AND WATER PIPING ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

#### MARGARINE ACT AMENDMENT BILL.

Received from the Legislative Council and read a first time.

#### NARACOORTE TOWN SQUARE (PRIVATE) BILL.

Received from the Legislative Council and read a first time.

#### SOUTH AUSTRALIAN HOUSING TRUST ACT AMENDMENT BILL.

The Hon. T. PLAYFORD (Premier and Treasurer) moved:—

That the Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole for the purpose of considering the following resolution:—That it is desirable to introduce a Bill for an Act to amend the South Australian Housing Trust Act, 1936-1948.

Motion carried. Resolution agreed to in Committee and adopted by the House. Bill introduced and read a first time.

#### ADJOURNMENT.

At 11.12 p.m. the House adjourned until Wednesday, November 19, at 2 p.m.